

SECURITIES MARKETS ACT 26.5.1989/495

Please note: This is an unofficial translation.

**Amendments up to 1424/2007 included.
July 2009**

SECURITIES MARKETS ACT 26.5.1989/495

CHAPTER 1

General provisions

Scope of Application

Section 1

This Act shall apply to the issuance of securities to the public, the transfer and clearing of securities issued to the public as well as to the arrangement of trading in securities. (26.10.2007/923)

Chapter 2, sections 9, 10, 10 e and 11 of this Act shall apply also to a limited liability company referred to in the Limited Liability Companies Act (624/2006) whose security has been admitted to trading corresponding to public trading in another State belonging to the European Economic Area as well as to a company corresponding to a limited liability company whose corporate-law registered office is in a State outside the European Economic Area, if the company is liable to submit an annual summary to the Financial Supervision Authority in accordance with chapter 2, section 10 c, subsection 2, as well as to a shareholder of such a company and a person comparable to a shareholder under chapter 2, section 9. (9.2.2007/152)

Chapter 2, sections 5, 5 a - 5 d, 6, 6 a, 6 c, 6 d and 10 e of this Act shall apply to an issuer of a share, a security entitling thereto or a security comparable thereto whose:

- 1) corporate-law home State is Finland and whose security has been admitted to trading corresponding to public trading in another State belonging to the European Economic Area;
- 2) corporate-law registered office is in a State outside the European Economic Area if the issuer is liable to submit an annual summary to the Financial Supervision Authority in accordance with chapter 2, section 10 c, subsection 2. (9.2.2007/152)

Chapter 2, sections 5, 5 a, 5 b, 5 d, 6, 6 c, 6 d and 10 e of this Act shall apply to an issuer of a security referred to in section 2, subsection 1, paragraph 2, if the nominal value or counter-book value of the security is less than EUR 1,000 and:

- 1) the corporate-law home State of the issuer is Finland and the security has been admitted to trading corresponding to public trading in another State belonging to the European Economic Area;
or
- 2) the corporate-law registered office of the issuer is in a State outside the European Economic Area and the issuer is liable to submit an annual summary to the Financial Supervision Authority in accordance with chapter 2, section 10 c, subsection 2. (9.2.2007/152)

Chapter 2, sections 5, 5 a, 5 b, 5 d, 6, 6 c, 6 d and 10 e of this Act shall apply to an issuer of a security other than one referred to in subsection 3 or 4 whose security is subject to trading corresponding to public trading in another EEA Member State, if the issuer has, in accordance with section 4, subsection 11, chosen Finland as its home State. (26.10.2007/923)

Chapter 2, sections 5, 5 a, 5 b, 5 d, 6, 6 c, 6 d and 10 e of this Act shall not apply to an issuer of a security other than one referred to in subsection 3 or 4 whose corporate-law home State is Finland if the issuer has, in accordance with section 4, subsection 11, chosen another EEA Member State than Finland as its home State. (26.10.2007/923)

Chapter 2, sections 7 and 7 a, chapter 4, sections 13, 16 and 17 as well as chapter 5 shall apply also to a Finnish issuer whose security is subject to trading corresponding to public trading within the European Economic Area or the admission of which to such trading has been applied for as well as to such security. In addition, chapter 4, sections 13, 16 and 17 shall apply to a foreign security subject to trading corresponding to public trading within the European Economic Area or the admission of which to such trading has been applied for. Chapter 5, sections 2, 12 and 13 shall also apply to a foreign security

which is subject to trading corresponding to public trading within the European Economic Area or the admission of which to such trading has been applied for when the transaction relating to the security is executed in Finland. (26.10.2007/923)

Chapter 2, sections 2, 3, 3 a - 3 d, 4 and 4 a - 4 f shall apply to an issuer, offeror and applicant for admission to public trading and section 10 c shall apply to an issuer, where according to chapter 1, section 4 (8) - (10), Finland is the home State but securities are offered to the public or sought to be admitted to trading corresponding to public trading in a EEA Member State other than Finland. (26.10.2007/923)

Operations whereby the public is offered a possibility to participate in joint investments in securities shall be governed by the Act on Common Funds (48/1999). (2.4.2004/228)

The provisions of chapter 2, section 6 b as well as chapter 6, section 3 (2), section 4 (3), section 6, section 9 (2), section 10 and sections 15-16 shall apply to a company and its shareholder also if the corporate-law registered office of the company is in Finland and its share is subject to trading corresponding to public trading in a State other than Finland. (8.6.2006/442)

The application of the provisions of this Act on a securities intermediary to a foreign investment firm, a foreign credit and financial institution as well as to a foreign management company shall be governed by the Act on the Right of a Foreign Investment Firm to Provide Investment Services in Finland (580/1996), the Act on the Operation of a Foreign Credit and Financial Institution in Finland (1608/1993) as well as by the Act on the Operation of a Foreign Management Company in Finland (225/2004). (26.10.2007/923)

Section 2 (28.12.2001/1517)

This Act shall apply to a security which is transferable and issued or meant to be issued to the public together with several other securities with similar rights. This may, for example, be a certificate that is issued for:

- 1) a share or other participation in a company or the right to a dividend, interest or other proceeds or to subscription connected thereto;
- 2) a unit in a bond or other corresponding obligation of the debtor or the right to interest or proceeds connected to the said unit or obligation;
- 3) a combination of the rights referred to in paragraphs 1 and 2;
- 4) a right to purchase or to sale relating to the said rights;
- 5) a unit in a fund or a unit in an undertaking for collective investment in transferable securities comparable thereto; as well as for
- 6) a right other than one referred to above based on a contract or an obligation.

This Act shall, however, not apply to a security which alone or together with other securities produces:

- 1) the right to dispose of a certain apartment, other premises or real estate or a part of real estate; or
- 2) the right to use or to obtain commodities referred to in the Consumer Protection Act (38/1978) other than securities, if the value of the security is based mainly on the said right.

This Act shall apply to a standardised option and future in accordance with the Act on Trading in Standardised Options and Futures (772/1988), a comparable derivatives contract as well as another derivatives contract as provided for below in chapter 10.

The provisions of this Act on a security shall correspondingly apply to a book entry referred to in the Act on the Book-Entry System (826/1991).

Section 2 a (21.7.2006/646)

The provisions of this Act on a limited liability company, a share, a security entitling to a share in accordance with the Limited Liability Companies Act (624/2006) and a shareholder shall, where applicable, apply to a co-operative and a savings bank, a security issued by them and an owner of such security as well as to a public mutual insurance company and an insurance association, a guarantee share issued by them and a guarantee shareholder.

Section 2 b (8.6.2006/442)

A limited company may execute an acquisition decision relating to its own shares subject to public trading by launching a takeover bid referred to in chapter 6 or by purchasing the shares in a public trading according to the rules of which a company may trade in its own shares. A company may not, however, acquire its own shares in a public trading until a week has lapsed from the publication of its decision on acquisition in accordance with chapter 2, section 7.

Definitions**Section 3** (26.10.2007/923)

Public trading means trading in securities in a regulated market maintained by a stock exchange where the offers to buy and sell or tender offers of the buyers and sellers are brought together in accordance with the rules confirmed in accordance with this Act so that the result is a binding securities transaction.

Section 3 a (26.10.2007/923)

Multilateral trading means trading in a security other than that referred to in section 3 in a multilateral trading facility where the offers to buy and sell or tender offers of the buyers and sellers are brought together in accordance with the Rules of the operator of trading so that the result is a binding securities transaction.

Section 4

For the purposes of this Act:

- 1) *a stock exchange* shall mean an organisation which arranges public trading (*stock exchange activity*);
- 2) *investment service* shall mean the service referred to in section 5 of the Act on Investment Firms (922/2007) provided by a securities intermediary;
- 3) *ancillary service* shall mean the service referred to in section 15 of the Act on Investment Firms provided by a securities intermediary;
- 4) *a securities intermediary* shall refer to an investment firm referred to in section 3 of the Act on Investment Firms as well as to a foreign investment firm referred to in section 2 of the Act on the Right of a Foreign Investment Firm to Provide Investment Services in Finland, a credit institution referred to in section 8 of the Act on Credit Institutions (121/2007), which, under its Articles of Association or its Rules, provides investment services referred to in the Act on Investment Firms, a credit or financial institution referred to in section 2 of the Act on the Operation of a Foreign Credit or Financial Institution in Finland, which, in accordance with its authorisation, provides investment services referred to in the Act on Investment Firms as well as to a management company referred to in section 2 of the Act on Common Funds and a foreign management company referred to in section 2 of the Act on the Operation of a Foreign Management Company in Finland, which, in accordance with its authorisation, carries out an activity referred to in section 5 (2) of the Act on Common Funds;

- 5) *a stock exchange member* shall refer to a securities intermediary entitled to trade in public trading;
- 6) *a broker* shall refer to a natural person who as a representative of a securities intermediary offers investment services as his main duty;
- 7) *broker's list* shall refer to a special list maintained by the organiser of multilateral trading of securities subject to trading.

(26.10.2007/923)

In this Act:

- 1) *clearing operations* shall mean the determination and realisation of obligations resulting from public trading in securities on behalf of the parties to the transaction. Clearing operations shall also mean the determination and realisation of obligations resulting from trade or transfer concluded elsewhere than in public trading of a security incorporated in the book-entry system or in a security subject to public trading; as well as
- 2) *a clearing organisation* shall mean a limited company which professionally and on a regular basis carries out clearing operations on behalf of organisations authorised to lodge securities transactions and other transfers for clearing by the clearing organisation (clearing parties).

(8.5.1998/321)

In this Act, *a systematic internaliser* shall refer to a securities intermediary which on an organised, frequent and systematic basis executes client orders outside public trading and multilateral trading as well as outside corresponding trading in an EEA Member State by becoming the counterparty to the client as provided for in the Commission Regulation (EC) No 1287/2006 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 purposes of that Directive. (26.10.2007/923)

In this Act, *a professional client* means:

- 1) the following authorised or regulated organisations operating in the financial markets and organisations corresponding thereto under foreign supervision by the authorities:
 - a) an investment firm referred to in the Act on Investment Firms;
 - b) a credit institution referred to in the Act on Credit Institutions;
 - c) a management company referred to in the Act on Common Funds;
 - d) a stock exchange and an option organisation referred to in the Act on Trade in Standardized Options and Futures;
 - e) a clearing house and a central securities depository referred to in the Act on the Book-Entry System;
 - f) an insurance company referred to in the Act on Insurance Companies (1062/1979);
 - g) a mutual insurance company and a public mutual insurance company referred to in the Act on Employees' Pension Insurance Companies (354/1997), a pension foundation referred to in the Act on Pension Foundations (1774/1995) and a pension fund referred to in the Act on Pension Funds (1164/1992);
 - h) an organisation referred to in section 1, subsection 3 (6) and (7) of the Act on Investment Firms;
 - i) an undertaking which buys and sells commodities and commodity derivatives on its own account;
 - j) other institutional investors;
- 2) an undertaking which, according to its annual accounts drawn up of the last-ended full financial period, meets at least two of the following criteria:
 - a) the total balance sheet exceeds EUR 20,000,000;
 - b) the turnover exceeds EUR 40,000,000;
 - c) the own funds exceed EUR 2,000,000;

- 3) the State of Finland, the Finnish State Treasury and an enterprise referred to in the State Enterprise Act (1185/2002), the Province of Åland, a Finnish municipality and a joint municipal authority as well as a corresponding foreign State, a body that manage public debt and the regional administrative units of a foreign State;
- 4) the European Central Bank, the Bank of Finland and a corresponding foreign central bank as well as the IMF, the World Bank and other corresponding international community or organisation;
- 5) an institutional investor whose main activity is to invest in financial instruments;
- 6) other client whom the securities intermediary may treat as a professional client on his own request provided that the procedure provided for in section 4 a (5) of this chapter is complied with and the securities intermediary has assessed that the client is capable of making his own investment decisions and understanding the risks involved, if the client satisfies at least two of the following criteria:
 - a) the client has carried out transactions in significant size on the relevant market at an average frequency of 10 per quarter over the previous four quarters;
 - b) the size of the client's investment portfolio exceeds EUR 500,000;
 - c) the client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions and services envisaged.

(26.10.2007/923)

In this Act, a *retail client* means a client other than a professional client referred to in subsection 4.(26.10.2007/923)

In this Act, a *qualified investor* means:

- 1) a professional client referred to in subsection 4 (1) (a) - (g); (26.10.2007/923)
- 2) the State of Finland, the Province of Åland, a Finnish municipality and a joint municipal authority as well a corresponding foreign State and its regional administrative units; (26.10.2007/923)
- 3) the ECB, the Bank of Finland, the IMF, the EIB and other similar international legal entities; (26.10.2007/923)
- 4) a legal entity which, according to its annual accounts or consolidated annual accounts drawn up of the last-ended full financial period, meets at most one of the following criteria:
 - a) an average number of employees less than 250;
 - b) a total balance sheet not exceeding EUR 43,000,000;
 - c) annual turnover not exceeding EUR 50,000,000;
- 5) a legal entity which has its corporate-law registered office in Finland and which, according to its annual accounts or consolidated annual accounts drawn up of the last-ended full financial period, meets at least two of the criteria set out in paragraph 4 and which, upon its own request, has been entered in the register referred to in section 4 c; (26.10.2007/923)
- 6) a natural person domiciled in Finland who, upon his own request, has been entered in the register referred to in section 4 c and who meets at least two of the following criteria:
 - a) he has, during the four quarters preceding the application, executed an average of at least 10 securities trades per quarter;
 - b) the value of his securities holdings belonging within the scope of application of this Act exceeds EUR 500,000;
 - c) he works or has worked at least for one year in the financing field in tasks requiring knowledge of securities investment;

(26.10.2007/923)

- 7) another domestic or foreign legal entity which is engaged in an activity corresponding to that of investors referred to in paragraphs 1 - 3 or which are qualified investors defined in Article 2 paragraph 1 (e) of the Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading and amending directive 2001/34/EC (Prospectus Directive). (23.6.2005/448)

For the purposes of this Act:

- 1) *equity securities* mean shares and other participations in the equity capital of an organisation as well as other securities entitling thereto or to an amount based on their value development which the issuer of the share or another participation or an organisation belonging to its group has issued;
- 2) *non-equity securities* mean securities other than those referred to in paragraph 1.
(23.6.2005/448)

Finland is the home State of an issue of securities with regard to securities other than those referred to in subsection 10 if the corporate-law registered office of the issuer is in Finland. (26.10.2007/923)

The home State of an issue of securities is Finland also if the corporate-law registered office of the issuer is situated in a State which does not belong to the European Economic Area and the securities other than those referred to in subsection 10 are offered to the public or applied to be admitted to public trading within the European Economic Area for the first time in Finland. If the offering or application has been decided on by another party than the issuer, the issuer may later choose another EEA Member State as the home State. (26.10.2007/923)

Anyone who offers to the public or applies for admission to public trading or trading corresponding thereto in a State belonging to the EEA

- 1) non-equity securities whose nominal value or counter-book value is at least EUR 1,000, or
- 2) non-equity securities entitling to other securities or to an amount based on the value development of other securities or another index,

may choose Finland as the home State of the issue if the securities are offered to the public or applied to be admitted to public trading in Finland or if the corporate-law registered office of the issuer is in Finland. (23.6.2005/448)

An issuer, the nominal value or counter-book-value of a security referred to in section 2, subsection 1 (2) of which is at least EUR 1,000 as well as an issuer of a security referred to in section 2, subsection 1 (4) or (6) may choose one EEA Member State as the home State of its regular duty of disclosure. Instead of the corporate-law registered office of the issuer, it is possible to choose as the home State the State where the securities have been admitted to public trading or to trading corresponding thereto in the European Economic Area. The home State shall be chosen for at least three years at a time. (26.10.2007/923)

Classification of a client and agreement on his position (26.10.2007/923)

Section 4 a (26.10.2007/923)

The securities intermediary shall inform the client of his classification as a retail client, a professional client or as an eligible counterparty.

The securities intermediary shall inform the client of his right to request a change in the client classification and present an account of the effects of the changing of the classification on the position of the client. The information shall be given so that it is directed at the client personally either in writing or in another permanent manner so that the client may keep, store or copy it unchanged or so that the information is available from the Internet website of the securities intermediary for an appropriate period. The information may be given in another permanent manner than in writing only if the submission of information in that manner is appropriate in connection with the execution of a transaction between the securities intermediary and the client and the client has chosen this manner of informing.

A securities intermediary may treat a professional client referred to in chapter 1, section 4 (4) (1) - (5) as a retail client upon his request. A contract shall be concluded in writing on the treatment of a client as a retail client indicating its application to one or several services or transactions or to one or several securities or transactions of different types.

The securities intermediary shall inform its client referred to in chapter 1, section 4 (4) (2) prior to the provision of investment services that, on the basis of the information available, he shall be treated as a professional client unless otherwise agreed upon with the client.

A client who wishes to be treated as a professional customer referred to in chapter 1, section 4 (4) (6) in general or with regard to a certain investment service or transaction or type of a transaction or security shall request from the securities intermediary in writing that he be treated as a professional client. The securities intermediary shall inform the client in writing that, as a professional client, he does not benefit from the protection of all the conduct of business rules referred to in chapter 4 nor is covered by the investor-compensation fund scheme referred to in the Act on Investment Firms. The client shall inform the securities intermediary in writing that he is aware of loss of the protection of the conduct of business rules and compensation fund cover.

The securities intermediary shall have internal rules for the classification of clients and the procedure to be complied with therein.

Transactions executed with an eligible counterparty (26.10.2007/923)

Section 4 b (26.10.2007/923)

A securities intermediary which offers as investment services transmission or execution of orders or deals on his own account may enter into transactions with an eligible counterparty without being obligated to comply with the obligations referred to in chapter 4, section 1 (2) and (3) and sections 2 - 6 in respect of the transaction.

In this Act, *an eligible counterparty* shall mean:

- 1) a professional client referred to in section 4, subsection 4 (1), (3) and (4);
- 2) an undertaking referred to in section 4, subsection 4 (2) which has consented to being treated as an eligible counterparty;
- 3) an undertaking recognised as a professional client under section 4, subsection 4 (6), which has requested to be treated as an eligible counterparty with regard to services and transactions in respect of which it can be recognised as a professional client.

A client which is an eligible counterparty referred to in subsection 2 (1) shall have the right to request application of the provisions referred to in subsection 1 to transactions entered into with it either in general or in respect of an individual transaction. If the securities intermediary consents to the request, the client shall be treated as a professional client. If the client, however, requests that it be treated as a retail client, the procedure provided for in chapter 1, section 4 a (3) shall be applied to the handling of the request.

A register of qualified investors (26.10.2007/923)

Section 4 c (26.10.2007/923)

The Financial Supervision Authority shall keep a register of the qualified investors referred to in section 4, subsection 6 (5) and (6). The following shall be entered in the register: the date of entry of the qualified investor in the register, the name and personal identity number of a natural person, the name and the Business ID as well as contact information of a legal entity. The personal identity number may not be included in the register of the Financial Supervision Authority maintained in an electronic data network.

The entry in the register shall be valid for three years from the entry. An investor shall have the right, upon application, to have his register information changed or removed prior to the termination of its validity. The information entered in the register shall be removed if its validity has terminated and the investor has not prior thereto filed a new application for entering the information in the register. The validity of changed entry shall be calculated from the entry of the original information. The Financial Supervision shall keep the information entered in the register for at least five years after its removal has been sought or its validity has terminated.

Notwithstanding section 16, subsection 3 of the Act on the Openness of Government Activities (621/1999), information may be conveyed from the register in electronic form as well as via a public data network. The processing of the information in the register shall otherwise be governed by the provisions of the Personal Data Act (523/1999).

A controlled organisation (29.1.1999/105)

Section 5 (29.1.1999/105)

A shareholder, participant or a member shall have control in an organisation when he has:

- 1) more than half of the voting rights produced by all the shares or participations of the organisation and the majority of voting rights is based on ownership, membership, the Articles of Association, a partnership agreement or corresponding rules or some other agreement; or
- 2) the right to appoint or dismiss a majority of the members of the Board or of a corresponding body of an organisation or of a body with this right, and this right to appoint or dismiss is based on the same facts as the majority of voting rights referred to in subparagraph 1.

In calculating the share of voting rights referred to in subsection 1 a voting restriction based on the law or the Articles of Association of an organisation, on a partnership agreement or other corresponding rules or on some other agreement shall not be taken into account. In calculating the total number of votes in an organisation, those votes attached to shares or participations belonging to the organisation itself or an organisation controlled by it, shall be deducted.

If a shareholder, participant or member together with organisations controlled by him or these organisations jointly, have the control referred to in subsection 1 in an organisation, also the latter organisation shall be considered an organisation under his control.

The provisions of this section on a controlled organisation shall, where applicable, be applied to a controlled foundation.

CHAPTER 2

Marketing and issuance of securities, duty of disclosure

Marketing securities

Section 1

Securities shall not be marketed or acquired in business by giving false or misleading information or by using procedure that is contrary to good practice or otherwise unfair.

Information referred to in subsection 1, which is found to have been misleading or false after its presentation and which may be of material importance to an investor shall, without delay, be corrected or supplemented in a sufficient manner. (10.7.1998/522)

Section 1 a (21.7.2006/646)

In offering securities of a private limited liability company to the public, it shall be notified that they may not be admitted to public trading.

Duty of disclosure upon the placing of securities and application for their admission to public trading or multilateral trading of securities (26.10.2007/923)**Section 2** (26.10.2007/923)

Anyone who places securities, applies for admission of a security to public trading or to multilateral trading or, on the basis of an order, attends to an offer or the application for admission to public trading or multilateral trading shall be liable to keep sufficient information on factors that may have a material effect on the value the security equally available to the investors.

Duty to publish a prospectus (23.6.2005/448)**Section 3** (23.6.2005/448)

Anyone who offers securities to the public or applies for the admission to public trading of a security shall be under an obligation to publish a prospectus relating to the securities before the entry into force of the offer or the admission to public trading and to have it available for the public during the validity of the offer as provided for in this chapter. In addition to the offeror and the issuer, the party handling the offer or the application for admission to public trading on the basis of an order shall also be liable for the preparation and publication of the prospectus.

The obligation to publish a prospectus shall not apply to a situation where the issuer of a non-equity security is the State of Finland, the Bank of Finland, a Finnish municipality or joint municipal authority or another State belonging to the EEA, its central bank or its regional administrative unit or a public international body whose members include at least one State belonging to the EEA, or the European Central Bank. Nor does the obligation apply to a situation where the securities offered or applied to be admitted to public trading are covered by an absolute guarantee by the State of Finland, a Finnish municipality or joint municipal authority or another State belonging to the EEA or its regional administrative unit. The offeror and the issuer shall, however, also in these situations have the right to publish a prospectus as provided for in this Chapter.

The prospectus shall, in addition to this Act, be governed by Commission Regulation (EC) No 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (*Commission Prospectus Regulation*).

The publication time of the prospectus and the manner for publication as well as the cases where, according to the Prospectus Directive, the obligation to publish a prospectus does not apply and where a Member State may allow an exemption from the duty to publish a prospectus in accordance with the Directive shall be provided for further by a Decree of the Ministry of Finance. Exemptions from the obligation to publish a prospectus may also be provided for by a Decree of the Ministry of Finance when securities are offered to finance operations for the public good mainly other than non-profit operations or when the Directive is not, due to its scope of application, otherwise applied to a security.

Section 3 a (23.6.2005/448)

The prospectus shall provide sufficient information to the investor for the making a founded assessment on the securities and their issuer as well as on the possible guarantor. The prospectus shall contain essential and sufficient information on the assets, liabilities, financial position, result and future

outlook of the issuer and the possible guarantor as well as on the rights attached to the securities and other factors with a material effect on the value of the securities. The information shall be presented in a logical and easily comprehensible form.

The prospectus shall be published either as one document or as a document consisting of three parts. The sections of the three-part document shall be named the base prospectus, the securities note and the summary note. In a three-part document, the base prospectus shall contain information on the issuer and securities note on the securities offered to the public or intended to be admitted to public trading. The summary note shall present, in a short form and in common terminology, the material information and risks relating to the issuer and the possible guarantor as well as to the said securities. The Ministry of Finance may issue further provisions on the structure of the prospectus by a Decree.

When securities are applied to be admitted to public trading or when they are included in an offer of at least EUR 2.5 million in counter-value calculated for a 12-month time period, the prospectus shall present the information required in this Act and the provisions issued thereunder as well as in the Commission Prospectus Regulation.

Exemptions relating to the contents of a prospectus based on the Prospectus Directive shall be provided for by a Decree of the Ministry of Finance. Also the contents of, the exemptions relating to the contents of and the manner of presentation of the information in the prospectus to be published on securities included in an offer of at least EUR 2.5 million in counter-value calculated for a 12-month time period shall be provided for by a Decree of the Ministry of Finance. The criteria to be set on such a prospectus shall be more lenient than the criteria set in the Prospectus Directive. A prospectus meeting the criteria set in the Prospectus Directive may be published instead of the said prospectus.

Section 3 b (23.6.2005/448)

A fault or omission in the prospectus which is discovered before the end of the period of validity of an offer or the admission of the security to public trading and which may be of material importance to the investor shall, without delay, be communicated to the public by publishing a supplement to the prospectus in the same manner as the prospectus.

Investors, who have committed to subscribe or buy the securities before the publication of a supplement to the prospectus, shall be granted the right to withdraw their decisions within two banking days or within a longer time period decided by the Financial Supervision Authority for a special reason, however, within at most four banking days from the publication of the supplement.

Section 3 c (23.6.2005/448)

If securities are offered conditionally so that the final decision on the subscription or purchase price or the amount of the securities has not yet been made, the prospectus may be published without this information. The offeror of the securities shall, however, supplement the prospectus with the said information by publishing it in the same manner as the prospectus without undue delay after making the decision to offer the securities. If the basis for determining the amount and price of the securities or the maximum price are not disclosed in the prospectus, the investors shall have the right to withdraw their decision to subscribe or purchase the securities within two banking days from the publication of the information on the final amount and price of the securities.

Section 3 d (23.6.2005/448)

The prospectus shall be published in Finnish or Swedish if the securities are offered to the public or applied to be admitted to public trading solely in Finland. The Financial supervision Authority may, however, upon application, consent to the drawing up of the prospectus in another language.

The language of the prospectus shall, on the basis of Article 19 of the Prospectus Directive, be governed by a Decree of the Ministry of Finance when offering securities to the public or applying for their admission to public trading also or solely outside Finland.

Approval of a prospectus (23.6.2005/448)

Section 4 (23.6.2005/448)

The prospectus may be published after the Financial Supervision Authority has approved it.

The Financial Supervision Authority shall have the competence to take up an application for approval for handling if:

- 1) the home State of the issue of securities referred to in the application is Finland; or if
- 2) the competent authority of another State belonging to the European Economic Area has requested that it takes the approval of the prospectus up for handling and the Financial Supervision Authority has consented thereto.

The Financial Supervision Authority shall decide on the approval of the prospectus within 10 banking days from the submission of the prospectus for approval. If the prospectus relates to the securities of an issuer whose securities have not earlier been offered to the public or admitted to public trading or to corresponding trading in a State belonging to the European Economic Area, the Financial Supervision Authority shall make the decision referred to above within 20 banking days from the submission of the prospectus for approval by it.

If the Financial Supervision Authority finds, on reasonable grounds, that the documents submitted to it are incomplete or that supplementary information is needed, the time limit for the approval of the prospectus shall apply from the date on which the supplementary information is submitted to the Financial Supervision Authority. The Financial Supervision Authority shall ask the applicant to supplement its application within 10 banking days from the submission of the application. If the prospectus has to be supplemented after the approval in accordance with section 3 b, subsection 1, the Financial Supervision Authority shall decide on the approval of the supplement within seven banking days from the submission of the supplement for approval.

The prospectus shall be approved if it fulfils the criteria set in section 3 a.

Instead of an approval, the Financial Supervision Authority may decide on the transfer of the handling of the application to another competent authority belonging to the European Economic Area. The decision may be made if the applicant requests a transfer of the handling or if, due to the circumstances of the issue, the offer or the admission to trading has a significant connection to another State belonging to the European Economic Area and the competent authority of the receiving State consents to the transfer. The Financial Supervision Authority shall inform the applicant of its decision within three banking days from the making of the decision.

The prospectus approved by the Financial Supervision Authority shall be submitted to the Financial Supervision Authority at the latest when it is published. The Financial Supervision Authority shall publish on its home pages of the electronic data network the prospectuses approved by it within the last 12 months or a list thereof.

Section 4 a (23.6.2005/448)

In addition to the provisions of section 4, the issuer of a security may apply for the approval of solely the base prospectus referred to in section 3 a, subsection 2. The provisions of section 4 shall apply to

the approval of the base prospectus. The approval of the base prospectus shall not entitle to the offering or admission to public trading of securities.

Section 4 b (23.6.2005/448)

In addition to that provided for in sections 4 and 4 a, if the prospectus of an issuer whose corporate law registered office is situated in a State not belonging to the European Economic Area is drawn up in accordance with the legislation of a State not belonging to the European Economic Area, the Financial Supervision Authority shall approve the prospectus provided that it meets the criteria set by the international regulatory bodies of the supervisory authorities of the securities markets which correspond to this Act, the Prospectus Directive and the provisions issued thereunder. The applicant shall present a clarification of the conformity of the criteria as well as of whether an authority of the registered office of the issuer or another authority has approved the prospectus.

Section 4 c (23.6.2005/448)

Any marketing material relating to the offer or the admission to public trading shall be submitted to the Financial Supervision Authority within two banking days from the submission of the prospectus to the Financial Supervision Authority for approval. The marketing material shall include a reference to the prospectus and state the place where the prospectus is available.

Section 4 d (23.6.2005/448)

The prospectus shall be valid until the offer relating to the securities referred to in the prospectus has ended or the securities referred to in the prospectus have been admitted to public trading, however, at most for 12 months after its publication.

A prospectus approved and published earlier with less than 12 months from its publication, may be used when offering or applying for the admission to public trading of securities provided that the information in the prospectus is supplemented in accordance with section 3 b, subsection 1.

An approved base prospectus shall be valid for 12 months from its publication.

A prospectus relating to bonds with mortgage security referred to in the Act on Mortgage Credit Banks (1240/1999) or corresponding foreign securities shall be valid as long as such securities are issued in a continuous and repeated manner.

Cross-border approval of prospectuses in the European Economic Area (23.6.2005/448)

Section 4 e (23.6.2005/448)

Notwithstanding the provisions of section 4, subsection 1, a prospectus and its supplements approved in an EEA Member State shall be valid in Finland and they shall be made available to the public here if the home State of the issue of the securities is a State other than Finland and if the securities are offered to the public or their admission to public trading is applied for in Finland and the competent authority of the said other State has submitted copies of the prospectus and its supplements to the Financial Supervision Authority together with a certificate to the effect that they have been drawn up in accordance with the Prospectus Directive. If the authority of another State has consented to the omission of certain information required in accordance with the Prospectus Directive, the exemption and its grounds shall be stated in the certificate of the authority. (26.10.2007/923)

The prospectus referred to in subsection 1 shall be drawn up in a language commonly used in international financial markets or in another language approved by the Financial Supervision Authority. The

Financial Supervision Authority may request that a summary of the prospectus translated into Finnish or Swedish or to both be attached to the advertisement.

Section 4 f (23.6.2005/448)

Where the intention is to offer or apply for the admission to trading corresponding to public trading of securities in one or more States belonging to the European Economic Area, the Financial Supervision Authority shall, upon the request of the applicant, submit a certificate to the competent authority of the said State to the effect that the approved prospectus and its supplements have been drawn up in accordance with the Prospectus Directive together with a copy of the prospectus and its supplements. The Financial Supervision Authority shall submit the certificate to the said competent authority within three banking days from the presentation of the request for the submission of the certificate or, if the request is presented simultaneously with the submission of the prospectus or its supplement for approval, within one banking day from the approval of the prospectus or its supplement.

The notification referred to in subsection 1 shall, where necessary, be appended with a translation of the summary, drawn up under the responsibility of the applicant, into the official language required by the competent authority of the receiving State.

If the Financial Supervision Authority has consented to the non-publication of a certain information, the exemption and its grounds shall be notified in the certificate referred to in subsection 1.

The interim report (29.1.1999/105)

Section 5 (9.2.2007/152)

An issuer of a security subject to public trading shall prepare an interim report for each of its financial periods exceeding six months.

The duty referred to in subsection 1 shall not apply to the State of Finland, the Bank of Finland, a Finnish municipality or joint municipal authority, another State, its central bank or its regional administrative unit, the European Central Bank or to an international public-law organisation whose members include at least one State belonging to the European Economic Area. Nor shall the duty apply to an issuer, the securities of which subject to public trading comprise only securities other than equity securities, the unit-specific nominal value or counter-book value of which is at least EUR 50,000 or an amount in another currency corresponding thereto on the date of issue.

In the case of a security referred to in chapter 1, section 2, subsection 1, paragraphs 1 or 3, or a security comparable thereto, the interim report shall be prepared for the first three, six and nine months of the financial period and in the case of a security referred to in chapter 1, section 2, subsection 1, paragraphs 2, 4 or 6, for the first six months.

The issuer may, however, decide not to publish an interim report for the first three or nine months of the financial period if this, taking into account the size or field of activity of the company or another corresponding factor, is deemed justifiable. The issuer shall in that case publish an interim management statement referred to in section 5 c during the first six-month period and the second six-month period of the financial period.

Section 5 a (9.2.2007/152)

The interim report shall provide a true and fair view of the financial position and result of the issuer. The interim report shall be prepared in compliance with the same principles for recording and valua-

tion as in the annual accounts. The interim report shall contain an explanatory statement and a table section

The table section shall be prepared in compliance with the international accounting standards on interim financial reporting referred to in the Accounting Act (1336/1997). The issuer may, however, prepare an abridged table section for the first three and nine months.

The explanatory statement shall give a general description of the financial position and result of the issuer as well as of their development during the report period. The explanatory statement shall explain any material events and transactions of the report period as well as their impact on the financial position and result of the issuer.

The explanatory statement shall give a description of the principal short-term risks and uncertainties relating to the business operations of the issuer as well as an assessment of the likely development of the issuer during the current financial period to the extent that this is possible and present a clarification of the factors forming the basis for the assessment.

The information presented in an interim report shall be comparable to the information from the corresponding report period of the previous financial period.

If the issuer prepares consolidated accounts, the interim report shall be given in consolidated form.

If the auditor of the issuer has audited the interim report, the auditor shall state in his statement the extent of the audit. The statement of the auditor shall be appended to the interim report. If the auditor has not audited the interim report, the issuer shall state this in the interim report.

Section 5 b (9.2.2007/152)

The interim report shall be published without undue delay, however, not later than within two months from the end of the report period. The publication date shall be published immediately after a decision thereon.

Interim management statement (9.2.2007/152)

Section 5 c (9.2.2007/152)

An issuer shall, prior to the beginning of a financial period, publish a statement thereon if the issuer does not publish an interim report for the first three and nine months of the financial period as well as the grounds for the non-publication.

The interim management statement shall give a general description of the financial position and result of the issuer as well as of their development during the report period until the publication date. The statement shall explain any material events and transactions of the report period as well as their impact on the financial position and result of the issuer.

The issuer shall publish the interim management statement no earlier than ten weeks after the beginning of the relevant six-month period and no later than six weeks before the end thereof. The publication date of the interim management statement shall be published immediately after a decision thereon.

If the issuer prepares consolidated accounts, the interim management statement shall be given in consolidated form.

The statement referred to in this section shall be called the interim management statement.

Interim report for an extended financial period (9.2.2007/152)**Section 5 d (9.2.2007/152)**

If the financial period of an issuer referred to in section 5 has been extended, the issuer shall also prepare an interim report for the first 12 months of the financial period, which corresponds to the interim report for the first six months referred to in section 5 a. If the financial period has been extended to last more than 15 months, an interim report shall be prepared for the first 15 months of the financial period, which corresponds to the interim report for the first three months referred to in section 5 a.

The annual accounts and annual report**6 § (9.2.2007/152)**

The issuer of a security subject to public trading shall publish its annual accounts and annual report without undue delay no later than one week before the meeting where the annual accounts shall be presented to be adopted, however, no later than within three months from the end of the financial period.

The duty referred to in subsection 1 above shall not apply to the State of Finland, the Bank of Finland, a Finnish municipality or joint municipal authority, another State, its central bank or its regional administrative unit, the European Central Bank or to an international public-law organisation whose members include at least one State belonging to the European Economic Area.

The annual accounts and annual report shall provide a true and fair view of the result of the operations and financial position of the issuer.

The audit report shall be published in connection with the annual accounts and annual report. If the interim report prepared for the first six months of the financial period or for the first 12 months of the extended financial period has not, in the opinion of the auditors, been prepared in accordance with the provisions thereon, this shall be stated in the audit report. The issuer shall, however, publish the annual accounts and annual report as well as the audit report immediately if the auditor expresses an opinion other than the fixed-form opinion referred to in section 15, subsection 3 of the Auditing Act (459/2007) or, on the basis of his audit, makes a remark referred to in section 15, subsection 4 of the Auditing Act. (26.10.2007/923)

Account statement (9.2.2007/152)**Section 6 a (9.2.2007/152)**

An issuer whose security referred to in chapter 1, section 2, subsection 1, paragraphs 1 or 3, or a security comparable thereto has been admitted to public trading shall immediately upon the completion of the annual accounts publish an account statement.

The provisions of section 5 a on an interim report shall correspondingly apply to the account statement. The explanatory statement of the account statement shall also state the proposal of the Board of Directors for measures called for by profit or loss as well as provide an account of distributable funds.

Duty of disclosure at the General Meeting of the Shareholders (8.6.2006/442)**Section 6 b (8.6.2006/442)**

If a share of the company or a security entitling thereto has been admitted to public trading or to trading corresponding thereto in a State belonging to the European Economic Area, the Board of Directors shall, in the annual report to be presented at the Ordinary General Meeting of the Shareholders, present information on factors that are likely to have a material effect on a public offer to acquire the shares of the company. This information shall be provided for further by a Decree of the Ministry of Finance.

Submission and availability of information (9.2.2007/152)

Section 6 c (9.2.2007/152)

The issuer shall submit the interim report, the interim management statement, the annual accounts and annual report, the account statement as well as information of the choice made under chapter 1, section 4, subsection 10 to the Financial Supervision Authority, the organiser of the public trading in question and the central media.

The issuer shall keep the information referred to in subsection 1 available to the public in the Internet web pages for at least five years.

The General Meeting of the Shareholders and the General Meeting of the Bondholders

(9.2.2007/152)

Section 6 d (9.2.2007/152)

An authorisation form used at the General Meeting of the Shareholders of the issuer of a share subject to public trading shall be kept available to the shareholder if such a form has been drawn up in the name of the company or on its behalf.

If the terms of a bond subject to public trading are appended with a provision on a general meeting of the bondholders, the terms shall include further provisions on the date, place and agenda of the meeting as well as on the notice to convene. The issuer shall keep the authorisation form used at the meeting available to the bondholder.

The notice to convene shall state where the authorisation form referred to in subsections 1 and 2 is available.

Information influencing the value of the security

Section 7 (13.5.2005/197)

The issuer of a security subject to public trading shall, without undue delay, disclose and file with the party in charge of the public trading in question all its decisions as well as all information on the issuer and its activities that are likely to have a material effect on the value of the security. The issuer shall keep the information disclosed available to the public.

The issuer may, for an acceptable reason, defer the disclosure and filing with the party in charge of the public trading of the information if the non-disclosure of the information does not endanger the position of the investors and the issuer can ensure the confidentiality of the information. The issuer shall, without undue delay, notify the Financial Supervision Authority and the party in charge of the public trading in question of its decision to defer the disclosure of the information and the reasons therefore.

If the issuer or a party acting in its name or on its behalf discloses to another party non-disclosed information which is likely to have a material effect on the value of a security, the information shall be immediately disclosed and filed with the party in charge of the public trading in question. If the disclosure of information takes place unintentionally, the information shall be disclosed and filed with the party in charge of the public trading in question without undue delay. The provisions of this subsection shall not apply if the person who has learned the information is liable to keep it secret.

The provisions of subsection 1 shall not apply if the issuer is a State, its Central Bank, a municipality or a joint municipal organisation or the European Central Bank or an international public-law entity, the members of which include at least two Member States of the European Economic Area except if they disclose the information referred to in subsection 1 elsewhere in the European Economic Area.

The party in charge of the public trading in question shall, without undue delay, disclose the decisions and issues referred to in subsections 1 and 3 that have come to its knowledge which the issuer has not disclosed. The Financial Supervision Authority may, under Directive 2003/6/EC of the European Parliament and of the Council on insider dealing and market manipulation (*the Market Abuse Directive*) and in order to implement the provisions issued by the European Commission, issue further regulations on the application of these provisions.

Section 7 a (13.5.2005/197)

The provisions of section 7 shall not apply to

- 1) an issuer of a security subject to other public trading if a security of the issuer other than a listed security is admitted to other public trading without the consent or approval of the issuer;
- 2) an issuer if a security of the issuer other than a listed security is, without the consent or approval of the issuer, admitted to trading corresponding to other public trading in another State belonging to the European Economic Area.

Section 7 b (13.5.2005/197)

The provisions of section 7 shall also apply to an issuer who has applied for the admission of his security to public trading. The issuer shall, without delay, disclose information on the filing of an application for admission of its security to public trading. The party in charge of the public trading shall, without un-due delay, disclose the arrival of an application which the issuer has not disclosed.

Section 8 (9.8.1993/740)

If a limited company whose shares or securities entitling to its shares under the Limited Liability Companies Act are subject to public trading becomes a subsidiary, the parent company shall without delay publish the parent-subsidiary relationship and information on how the relationship shall affect the position of the subsidiary and its shareholder. The information shall at the same time be filed with the party in charge of the public trading in question.

Disclosure obligation (8.6.2006/442)

Section 9 (9.2.2007/152)

A shareholder shall disclose information on his portion (*portion of holdings*) to the company and the Financial Supervision Authority when the portion reaches or exceeds or falls below one-twentieth, one-tenth, three-twentieths, one-fifth, one-fourth, three-tenths, half or two-thirds (*the threshold*) of the voting rights or total number of shares of a Finnish company whose share is admitted to public trading or to corresponding trading within the European Economic Area (*disclosure notification*). In addition to a shareholder, this provision shall be applied to any other person whose portion of holdings referred to in this subsection and calculated in the manner referred to in subsection 2 reaches or exceeds the threshold provided for or falls below it. The disclosure notification shall also be submitted when a shareholder or a person corresponding to a shareholder is party to an agreement or other arrangement which, when effected, will result in the said threshold being reached or exceeded or in the portion of holdings falling below the said threshold. The shareholder need not submit the disclosure notification if the disclosure is made by the organisation or foundation exercising control over the shareholder.

In calculating the portion of holdings, the portion of holdings of a shareholder shall include the portion of holdings of an organisation or foundation controlled by the shareholder, the portion of holdings of a pension foundation and pension fund controlled by the shareholder and an organisation controlled by it as well as any other portion of holdings the use of which the shareholder, alone or together with a third party, may decide on under a contract or otherwise.

The disclosure notification shall be submitted without undue delay after the shareholder knew or should have known of a contract under which his portion of holdings reaches or exceeds the threshold provided for or falls below it. Where the duty of disclosure arises as a result of the shareholder being party to an agreement which, when effected, results in reaching or exceeding the threshold provided for or the portion of holdings falling below the threshold provided for, the disclosure shall, however, be made no later than on the date of the conclusion of the agreement.

Section 10 (9.2.2007/152)

When an issuer of a share or a security comparable thereto subject to public trading is informed of the fact that the portion of holdings of a party in the issuer has reached or exceeded a threshold resulting in the disclosure obligation or fallen below it, the issuer shall, without undue delay, publish the information as well as submit it to the organiser of public trading or the trading corresponding thereto and the central media.

The issuer of a share or a security comparable thereto shall, in accordance with subsection 1, publish the number of voting rights carried by the stock of shares and the total number of shares at the end of each such calendar month during which the said number has changed unless the number has already been published during the calendar month.

Section 10 a (14.2.1997/146)

A limited liability company shall notify to relevant organiser of public trading of the transactions it has concluded in its own shares.

The notification shall be made without delay and at the latest prior to the beginning of the following trading day. The notification shall disclose the volumes of shares and the prices itemised by classes of shares.

The organizer of public trading shall, in compliance with regulations issued by the Financial Supervision Authority, publish the issues notified under this section.

Section 10 b (9.2.2007/152)

The duty of disclosure referred to in sections 5, 5 a - 5 d, 6, 6 a - 6 d, 7, 7 a, 7 b, 8 - 10 and 10 a as well as the duty to publish an annual summary referred to in section 10 c shall not apply to a common fund and an open-end UCITS subject to public trading. The duty of disclosure pertaining to common funds and open-end UCITS shall be governed by the Act on Common Funds.

An annual summary of published information (9.2.2007/152)

Section 10 c (9.2.2007/152)

An issuer of a security subject to public trading shall publish a document of the information published during the previous financial period (*annual summary*). The annual summary shall at least contain a reference to the information which the issuer has published under the provisions of this Act, the provisions issued thereunder or confirmed rules or under similar foreign provisions or rules. When only making a reference to the information, the summary shall state where the information is easily available.

The annual summary shall be published as well as submitted to the Financial Supervision Authority and the relevant organiser of public trading within the time period provided for in the Commission

Prospectus Regulation. The provisions of the Prospectus Regulation shall be complied with in the publication of the annual summary.

The issuer of securities other than equity securities subject to public trading with a nominal value or counter-book-value of at least EUR 50,000 shall not be liable to publish an annual summary.

The provisions of subsections 1 and 2 shall not apply to an issuer when the home State of an issue of securities referred to in chapter 1, section 4, subsections 7 - 9 regarding its securities subject to public trading is other than Finland.

Keeping the published information available (9.2.2007/152)

Section 10 d (9.2.2007/152)

The organiser of public trading shall keep the information published under this chapter available to the public for at least five years.

Further provisions (9.2.2007/152)

Section 10 e (9.2.2007/152)

Further provisions on the implementation of Directive 2004/109/EC of the European Parliament and of the Council on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC as well as of the provisions issued thereunder by the European Commission shall be issued by a Decree of the Ministry of Finance.

Without endangering the position of investors and within the authority of the Member State in accordance with the European Community provisions, further provisions may be issued by a Decree of the Ministry of Finance on:

- 1) the contents and publication of an interim report, the interim management statement, the annual accounts and annual report as well as of an account statement and on exemptions relating thereto;
- 2) the arising of the duty of disclosure referred to in section 9, the calculation of the portion of holdings and the information to be submitted in the disclosure as well as on exemptions relating thereto;
- 3) the information to be submitted in connection with the publication referred to in section 10 and the exemptions relating thereto as well as on the procedure to be complied with in the publication;
- 4) the keeping available of information referred to in section 10 d.

The Financial Supervision Authority may issue further provisions with regard to the information referred to in the Decree issued under subsection 2, paragraph 1. The Financial Supervision Authority shall, prior to issuing a provision referred to in the first sentence request a statement of the Accounting Board referred to in chapter 8, section 2 of the Accounting Act.

Exemptions (9.8.1993/740)

Section 11 (9.2.2007/152)

The Financial Supervision Authority may, in the manner provided for in subsections 2 and 3 grant an exemption from the duty of disclosure referred to in this chapter, with the exception of section 7 thereof, and in chapter 6 provided that the exemption does not endanger the position of the investors. The granting of exemptions shall be provided for by a Decree of the Ministry of Finance in cases where, in accordance with the provisions of the European Community, a Member State may allow an exemption from the duty of disclosure. In addition, the granting of a corresponding exemption from

the duty of disclosure may be provided for by a Decree of the Ministry of Finance in cases where the provisions of the European Community are not, due to their scope of application, applied to a security. The Decree of the Ministry of Finance may also provide for exemptions relating to the duty of disclosure in cases where securities are offered for the financing of operations for the public good and are mainly non-profit operations.

The Financial Supervision Authority may grant an exemption from the duty to publish laid down in section 10 if the publication were contrary to public interest or materially detrimental to the issuer. The exemption shall be applied for as soon as the duty arises. An exemption from section 10 may only be granted to a company referred to in section 9, subsection 1.

The Financial Supervision Authority may grant an exemption from the contents and publication of the prospectus as well as a tender document referred to in chapter 6 as well as from the publication of an interim report, an interim management statement, the annual accounts and annual report, an account statement as well as an annual summary. The exemption may be granted on condition that the exemption is not in violation of the provisions issued by the European Community on annual accounts, consolidated annual accounts and the prospectus. The Financial Supervision Authority shall grant an issuer whose home State is in a State outside the European Economic Area an exemption to publish the information in an interim report, an interim management statement, the annual accounts and annual report, an account statement as well as in a disclosure notification in accordance with the regulation of the home State of the issuer if the requirements of the legislation of the home State are deemed to be equivalent to those of Finnish legislation. Further provisions on the assessment of equivalence shall be issued by a Decree of the Ministry of Finance.

The Financial Supervision Authority shall immediately inform the organiser of public trading in question of an application for an exemption and the decision thereon.

CHAPTER 3 (26.10.2007/923)

Public trading

Section 1 (26.10.2007/923)

Requirement of license of stock-exchange activity

Stock-exchange operations may not be carried out without a license.

Section 2 (26.10.2007/923)

Trade name

An organisation other than one licensed to operate a stock exchange may not use the term stock exchange separately or as part of a compound in its trade name or otherwise to indicate its activity.

Section 3 (26.10.2007/923)

Granting a licence

The Ministry of Finance shall, on application, grant the license to operate a stock exchange to a Finnish limited-liability company whose main office is located in Finland. The license may also be applied for a company to be established. The accounts to be appended to a license application shall be provided for by a Decree of the Ministry of Finance.

A license shall be granted if, on the basis of the account received, it can be ascertained that the applicant fulfils the requirements provided for stock-exchange activity in this Act and the provisions issued thereunder.

A precondition for granting of the license shall also be that, on the basis of the account received, the founder and shareholder of the stock exchange who holds at least one-tenth of the shares of the stock exchange or of the votes carried by its shares is reliable. Ownership of a stock exchange may not endanger the management of the business operations of the stock exchange in compliance with sound and prudent business principles.

A person cannot be deemed reliable if he has, with a non-appealable judgement, been sentenced to imprisonment within the last five years prior to the assessment or to a fine within the last three years prior to the assessment for a crime which can be deemed to indicate that he is manifestly unsuitable to establish or own a stock exchange or if he has otherwise with his earlier activity indicated that he is manifestly unsuitable to establish or own a stock exchange.

The license application shall be decided on within six months from receipt of the application or, if the application has been defective, from the date on which the applicant has submitted the documents and accounts necessary to decide the matter. A decision on the license shall, however, always be made within 12 months of receipt of the application. If the decision is not issued within the period laid down, the applicant may file an appeal. The appeal shall, in that case, be deemed to concern a rejecting decision. Such complaint may be filed until the decision has been issued. The Ministry of Finance shall notify the appeal authority of the issuing of the decision if the decision is issued after the filing of the appeal. The provisions of the Administrative Judicial Procedure Act (586/1996) shall otherwise, where applicable, be applied to the filing and handling of an appeal referred to in this subsection.

The Ministry of Finance shall, before deciding on the issue, request a statement of the Financial Supervision Authority on the application.

The Ministry of Finance shall, after hearing the applicant for the license, have the right to include in the license restrictions and conditions relating to the business operations of the stock exchange and necessary for the supervision.

Unless otherwise ordered in the conditions of the license, a stock exchange may commence its operations as soon as the license is granted or, if the license is granted for an undertaking to be established, after the stock exchange has been registered.

Section 4 (26.10.2007/923)

Granting of a license to a European company

A license to carry out stock-exchange operations shall also be granted to a European company referred to in Council Regulation (EC) No 2157/2001 on the Statute for a European company (SE), hereinafter *the SE Regulation*, which has been granted a corresponding license in another EEA Member State and which is aiming to transfer its registered office to Finland in accordance with section 8 of the said Regulation. The Ministry of Finance shall, in addition, request an opinion of the authority supervising the securities markets of the State in question on the license application. The transfer of a registered office may not be registered before the issue of the license. The provisions of the section above shall apply to the establishment of a European company by merger so that the receiving company whose registered office is in another State will be registered as an SE in Finland.

Section 5 (26.10.2007/923)

Notification of the license for registration

The Ministry of Finance shall notify the Trade Register of the license for registration . The license granted to a stock exchange to be established and an SE transferring its registered office to Finland shall be registered simultaneously with the registration of the undertaking.

Section 6 (26.10.2007/923)**Notification of acquisition of shares**

If anyone proposes to acquire alone or together with a shareholder referred to in chapter 2, section 9 or with a person comparable to a shareholder a holding of a stock exchange which would be equal to at least one-tenth of the share capital of the stock exchange or which produces at least one-tenth of the voting rights of its shares, the Financial Supervision Authority shall be notified of the acquisition in advance.

If the purpose is to increase the holding referred to in subsection 1 so that it would reach or exceed one-fifth, one-third or half of the share capital or voting rights of the stock exchange, the Financial Supervision Authority shall be notified also of this acquisition in advance. A corresponding notification shall be submitted also if the holding referred to in subsection 1 would fall below the threshold referred to in this subsection or in subsection 1.

In calculating the portion of holding and voting rights referred to in subsections 1 and 2, the provisions chapter 1, section 5 and chapter 2, section 9 (1) and (2) shall be applied.

A stock exchange shall notify the Financial Supervision Authority at least one time annually of the holders of the holdings referred to in subsections 1 and 2, the persons corresponding to holders of holdings in accordance with subsection 1 as well as their portions of the share capital and voting rights of the stock exchange if they are known to it. A stock exchange shall immediately notify the Financial Supervision Authority of any changes in the holdings that have come to its knowledge. The notification shall include sufficient information on the size of a holding and its holder as well as other information ordered by the Financial Supervision Authority.

The provisions of this section on a stock exchange and on notification of a holding to be acquired thereof shall also apply to an organisation which has control over the stock exchange in the manner referred to in chapter 1, section 5.

Section 7 (26.10.2007/923)**Objection to an acquisition**

The Financial Supervision Authority may, within three months from the receipt of a notification referred to in section 6, object to the acquisition of a holding if it is likely, based on the information obtained on the reliability of the holders or otherwise that the holding would endanger the management of the business of the stock exchange in accordance with sound and prudent business principles. The reliability of the holders is provided for in section 3 of this chapter.

If the acquisition of a holding is not notified or if a holding has been acquired despite the objection of the Financial Supervision Authority, the Financial Supervision Authority may deny the holder of the holding his right to use his voting rights in the stock exchange or in an organisation which has control over the stock exchange in the manner provided for in chapter 1, section 5.

Section 8 (26.10.2007/923)**Close link of a stock exchange**

A close link between a stock exchange and another legal person or natural person may not prevent the effective supervision of the stock exchange nor may efficient supervision be prevented by the provisions and administrative provisions of a State not belonging to the European Economic Area applicable to a natural person or legal person with such a link.

After the granting of the license, the Financial Supervision Authority shall immediately be notified of any changes in the information relating to close links declared in the license application.

A close link shall in this section refer to that provided for in section 37 (2) - (4) of the Act on Credit Institutions.

Section 9 (26.10.2007/923)

Transfer of registered office in the European Economic Area

If a stock exchange intends to transfer its registered office to another EEA Member State as provided for in Article 8 of the SE Regulation, the stock exchange shall submit to the Financial Supervision Authority a copy of the transfer proposal and the report referred to in Article 8 (2) and (3) of the SE Regulation without delay after the stock exchange has notified of the plan for registration.

The registration authority may not issue a certificate referred to in section 9, subsection 5 of the Act on European Companies (742/2004) if the Financial Supervision Authority has notified the registration authority prior to the granting of the permission referred to in subsection 2 of the said section that the stock exchange has not complied with the provisions on the transfer of the registered office or the termination of operations in Finland. The permission may be given one month prior to the due date referred to in chapter 16, section 6 (2) of the Limited-Liability Companies Act only if the Financial Supervision Authority has notified that it does not oppose the transfer of registered office.

Section 10 (2812.2007/1424)

Merger and division in the European Economic Area

If the stock exchange participates in cross-border merger or cross-border division in the European Economic Area, the registration authority may not issue a certificate relating to such merger referred to in section 4 of the Act on European Companies or in chapter 16, section 26 of the Limited-Liability Companies Act or a certificate relating to division referred to in chapter 17, section 25 of the latter Act if the Financial Supervision Authority has notified the registration authority prior to the granting of the permission referred to in subsection 2 of the said section that the stock exchange has not complied with the provisions on merger or division or the termination of operations in Finland. The permission may be granted before one month has passed from the due date referred to in chapter 16, section 6 (2) or in chapter 17, section 6 (2) of the Limited-Liability Companies Act only if the Financial Supervision Authority has notified that it does not oppose the merger, the division or the transfer of the registered office relating to the establishment of a SE.

Section 11 (26.10.2007/923)

Revocation of a license

The Ministry of Finance may revoke the license of a stock exchange in full or in part if:

- 1) the operation has involved a material breach of an Act or a decree or orders issued thereunder by the authorities, the conditions of the license or the rules of the stock exchange;
- 2) the stock exchange has not been in operation for more than six months;
- 3) the preconditions for the granting of a license no longer exist;
- 4) the operations of the stock exchange or a part thereof have not been started within 12 months from the granting of the license; or if
- 5) materially misleading information has been given when applying for a license on matters significant with regard to regulation or supervision.

The Ministry of Finance shall, prior to making a decision referred to in subsection 1, request a statement of the Financial Supervision Authority unless otherwise required by the urgency of the matter.

Prior to making the decision referred to in subsection 1 (1) and (3), the Ministry of Finance shall set a time period for the stock exchange to remove the defects detected in its operations.

The Ministry of Finance may, on application by the stock exchange, revoke the license of the stock exchange if the stock exchange has decided to terminate stock-exchange operations. Prior to making the decision, the Ministry of Finance shall request a statement of the Financial Supervision Authority.

If the Ministry of Finance revokes the license of the stock exchange under subsection 1, the ministry may simultaneously issue orders on the manner in which the operations shall be terminated.

The Ministry of Finance shall notify the registration authority of the revocation of the license.

Section 12 (26.10.2007/923)

Interruption of the operation of a stock exchange

The Ministry of Finance may order that the operation of a stock exchange be interrupted for a specific period if incompetence or carelessness has been found in the operation of the stock exchange or if the exchange of securities subject to public trading in the stock exchange has been disturbed and if it is likely that the continuing of the operation may seriously endanger the stability of the securities markets or the interests of the investors.

Section 13 (26.10.2007/923)

Operation of a stock exchange

In addition to public trading, a stock exchange may organise multilateral trading and offer data processing services relating to the transfer and custody of securities as well as training and information services relating to the development of the securities and financial markets as well as carry out other closely related activities.

The stock exchange may act as a clearing party and carry out the operations of a clearing organisation as provided for in chapter 4 a and act as an account management organisation or as an account manager as provided for in the Act on the Book-Entry System.

A stock exchange may also, as provided for in the Act on Trade in Standardised Options and Futures, carry out option exchange activity.

A stock exchange may not carry out other operations than those referred to in subsections 1 - 3.

Section 14 (26.10.2007/923)

Stock Exchange Rules

A stock exchange shall draw up and keep available to the public rules on public trading containing more specific regulations at least on the following:

- 1) the manner in which public trading in the stock exchange takes place;
- 2) the manner and grounds for the admission of a security to public trading as well as the manner and grounds for the interruption or termination of trading in a security;
- 3) the types of demands, rights and duties imposed on issuers of securities and their management for the fulfilment of the duties based on this Act and the provisions and orders issued there under as well as on the rules of the stock exchange or otherwise;
- 4) the manner and grounds for the granting and revocation of the rights of a stock exchange member and another operator in the stock exchange;

- 5) the types of demands, rights and duties imposed on stock exchange members and other operators in the stock exchange for the fulfilment of the duties based on this Act and the provisions and orders issued thereunder as well as on the rules of the stock exchange or otherwise;
- 6) the manner in which the equality of the shareholders is safeguarded if a limited-liability company may, in accordance with the stock exchange rules, trade in its own shares in the stock exchange;
- 7) the types of sanctions that may be imposed on the issuers of securities, stock exchange members and other operators in the stock exchange for breach of the rules of the stock exchange and the manner of their imposition.

The stock exchange rules and any amendments thereto shall be confirmed by the Ministry of Finance on application. The rules shall be confirmed if they comply with this Act and the provisions and orders issued thereunder and if, on the basis of the account obtained, it can be deemed probable that they ensure reliable and equal public trading.

The application shall be decided on within three months from receipt thereof or, if the application has been defective, from the date on which the applicant has submitted the documents and accounts necessary for deciding the matter. The decision shall, however, always be made within six months from receipt of the application. The Ministry of Finance shall, prior to the confirmation of the rules, request an opinion of the Financial Supervision Authority.

The Ministry of Finance may, in order to ensure the reliability and equality of public trading, order that the contents of the provisions of the rules it has confirmed be amended or supplemented. The Ministry of Finance shall, prior to issuing the order, request an opinion of the Financial Supervision Authority thereon.

Section 15 (26.10.2007/923)

Financial operating conditions

A stock exchange shall have adequate financial operating conditions vis-à-vis the scope and nature of the stock exchange operations.

The share capital of a stock exchange shall be at least EUR 730,000. The share capital shall be subscribed in full when the license is granted.

Section 16 (26.10.2007/923)

Management of a stock exchange

The Board of Directors, the Managing Director and the other senior management of a stock exchange shall manage the stock exchange with professional skill as well as in accordance with sound and prudent business principles. The members and deputy members of the Board of Directors as well as the Managing Director and Deputy Managing Director as well as another member of the senior management shall be trustworthy persons who are not bankrupt and whose capacity has not been restricted. The persons shall also possess such general knowledge of stock-exchange operations as is deemed necessary with regard to the nature and scope of the operations of the stock exchange.

A person referred to in subsection 1 shall not be deemed trustworthy if he has, with a non-appealable judgement, been sentenced to imprisonment within the last five years preceding the assessment or to a fine within the last three years preceding the assessment for a crime which can be deemed to indicate that he is manifestly unsuitable as a member or deputy member of the board of directors or as Managing Director or Deputy Managing Director or as another member of the senior management of a stock exchange or if he has otherwise through his earlier actions indicated that he is manifestly unsuitable to a duty referred to above.

The Financial Supervision Authority may, for a period not exceeding five years, prohibit a person from acting as a member or deputy member of the Board of Directors or as a Managing Director or Deputy Managing Director or as another member of the senior management of a stock exchange if:

- 1) the person, in attending to his duties, has shown clear incompetence or carelessness and if it is evident that this may seriously damage the stability of the operations of the stock exchange, the position of investors or the interests of the creditors; or if
- 2) he does not fulfil the requirements provided for in subsection 1.

The stock exchange shall, without delay, notify the Financial Supervision Authority of any changes relating to the persons referred to in subsection 1.

The provisions of subsections 1 - 4 shall correspondingly apply to an organisation having control over the stock exchange in the manner referred to in chapter 1, section 5.

Section 17 (26.10.2007/923)

Arrangement of operations of a stock exchange

A stock exchange shall arrange its operations in a reliable manner taking into account the quality and scope of its business operations. A stock exchange shall ensure the management of risks relating to its operations, the functioning of internal control and continuance of operations in all circumstances.

The provisions of subsection 1 shall correspondingly apply to an organisation having control over the stock exchange in the manner referred to in chapter 1, section 5.

The Financial Supervision Authority may issue further provisions on the reliable manner of arrangement of its operations. The provisions shall, where applicable, correspond to the provisions issued on investment firms under section 35 of the Act on Investment Firms and chapter 4, section 12 of this Act.

Section 18 (26.10.2007/923)

Personal transactions

A stock exchange shall, with adequate measures, aim at preventing any relevant person from making personal transactions if this may result in a conflict of interests or if he has inside information or confidential information relating to issuers, stock exchange members or other operators in the stock exchange or to their transactions. The aim shall be to ensure the confidentiality of such information.

The transactions referred to in subsection 1 shall, where applicable, be governed by the provisions of section 34, subsections 2 and 3 of the Act on Investment Firms on relevant persons of an investment firm and their personal transactions.

The Financial Supervision Authority may issue further provisions on the transactions referred to in subsection 1. The provisions shall, where applicable, correspond to the provisions to be issued to investment firms under section 35 of the Act on Investment Firms

Section 19 (26.10.2007/923)

Duty to submit copies of certain documents

A stock exchange shall without undue delay submit to the Financial Supervision Authority a copy of:

- 1) its annual accounts documents;
- 2) its audit report;
- 3) the minutes of the Annual General Meeting of the Shareholders.

The provisions of subsection 1 shall correspondingly apply to an organisation having control over the stock exchange in the manner referred to in chapter 1, section 5.

Section 20 (26.10.2007/923)

Publicity of trading

The stock exchange shall be liable to make available to the public information on offers to buy and sell, invitations to tender as well as on trades relating to securities other than shares subject to public trading maintained by it to the extent that is necessary, with regard to the nature and scope of the trading in securities, to safeguard reliable and equal public trading.

The stock exchange shall be liable to make available to the public information on the offers to buy and sell as well as on invitations to tender relating to shares subject to public trading maintained by it as provided for in the Commission Regulation.

The stock exchange shall not, however, be liable to publish information on offers to buy and sell or invitations to tender in the manner referred to in subsection 2 if the market model or the type or size of the orders of public trading fulfils the requirements on waiver from the obligation to publish laid down in the Commission Regulation.

The stock exchange shall be liable to make available to the public information, as close to real time as possible, on transactions in shares subject to public trading maintained by it as provided for in the Commission Regulation.

The stock exchange may decide that information on transactions that are large in size compared with normal market size for the security may be published later than required in subsection 4. Further provisions on the preconditions for deferred publication are laid down in the Commission Regulation.

The stock exchange shall, prior to making the decision referred to in subsection 5, obtain the permission of the Financial Supervision Authority for the arrangement by which the publication of the information is deferred. The public shall be notified of the arrangements for deferred publication.

Section 21 (26.10.2007/923)

Clearing of trades

The stock exchange shall arrange the clearing of securities trades concluded in public trading in an appropriate manner.

If the stock exchange uses in the clearing of securities trades a securities clearing and deposit institution other than a clearing organisation referred to in this Act, the stock exchange, the clearing organisation as well as the clearing and custody institution shall arrange their co-operation so that the reliability of public trading is not endangered.

The stock exchange shall notify the Financial Supervision Authority and the Bank of Finland in advance of changes in the arrangements in accordance with subsection 2. The notification shall be appended with sufficient information for assessing whether the changes pose a danger to the reliability of public trading.

The Financial Supervision Authority may forbid the stock exchange from using in the clearing of trades a clearing organisation other than one referred to in this Act if the use of such organisation is likely to endanger the reliability of public trading.

Section 22 (26.10.2007/923)
Supervisory duties of a stock exchange

A stock exchange shall attend to the arrangement of adequate and reliable supervision to ensure compliance with this Act and the provisions and regulations issued thereunder as well as with its rules.

The stock exchange shall inform the Financial Supervision Authority of a procedure that is likely to be in violation of this Act or the provisions or orders issued thereunder or of the rules of the stock exchange unless the procedure is rectified without delay or unless the state of the matters is otherwise corrected. If the provisions, regulations or rules have been materially or repeatedly violated, this shall, however, always be notified.

Section 23 (26.10.2007/923)
Suspension of trading

A stock exchange shall suspend public trading in a security if this is necessary due to procedure in violation of the rules and regulations on public trading, the rules of the stock exchange or proper practice.

The stock exchange shall immediately notify the decision on the suspension of trading in a security. In addition, the stock exchange shall notify the Financial Supervision Authority of the suspension of trading and be liable to notify it further to the competent authorities corresponding to the Financial Supervision Authority of the EEA Member States.

The right of the Financial Supervision Authority to order a stock exchange to suspend trading in a security shall be governed by chapter 7, section 1 a (2).

Section 24 (26.10.2007/923)
Outsourcing of the operation of a stock exchange

Outsourcing means in this section an arrangement relating to the operations of a stock exchange by which another service provider performs a process or service for the stock exchange which would otherwise be undertaken by the stock exchange itself.

A stock exchange may outsource an activity significant with regard to its operations other than public trading if the outsourcing does not impair the risk management or internal control of the stock exchange or attendance to another activity significant with regard to the business operations or other operations of the stock exchange.

An activity is significant with regard to the operations of a stock exchange if an error or deficiency in its performance may materially impair compliance with the Acts relating to the operations of the stock exchange or the provisions and orders issued thereunder or with the terms of the license of the stock exchange or the financial position of the stock exchange or the continuance of the stock exchange operations.

A written agreement shall be drafted on the outsourcing of an activity significant with regard to the operations of the stock exchange indicating the contents of the assignment and the period of validity of the agreement.

A stock exchange which, after the granting of the license, intends to outsource an activity significant with regard to its operations shall notify the Financial Supervision Authority of the outsourcing in advance. The Financial Supervision Authority shall be notified of any significant changes in the contractual relationship between the stock exchange and the party carrying out the outsourced activity.

The Financial Supervision Authority shall issue the necessary further provisions on the contents of the notification.

A stock exchange shall exercise due diligence upon outsourcing an activity significant with regard to its operations.

The stock exchange shall ensure that it continuously receives from the party carrying out the outsourced activity the necessary information required by supervision by the authorities, risk management and internal control and that it has the right to convey the information further to the Financial Supervision Authority.

The Financial Supervision Authority may issue further provisions on the preconditions for outsourcing of the operations of a stock exchange. The provisions shall, where applicable, correspond to the provisions to be issued to investment firms under section 30 of the Act on Investment Firms.

Section 25 (26.10.2007/923)

Stock exchange member and another operator in the stock exchange

A stock exchange shall grant the rights of a stock exchange member of a Finnish securities intermediary or to a securities intermediary that has been granted a corresponding authorisation in an EEA Member State who fulfils the requirements laid down in the law and in the stock exchange rules.

The rights of another operator in the stock exchange may be granted to another person whose domicile is in an EEA Member State if the person fulfils the requirements set in the stock exchange rules and if, on the basis of an account received on the reliability, good repute, experience and other suitability or otherwise, it is likely that the participation of the person in public trading does not endanger the reliability of trading. The person shall, in addition, have adequate financial and other prerequisites to fulfil the obligations resulting from securities transactions

The stock exchange may, under terms set by the Ministry of Finance, grant the rights of a stock exchange member or another operator in the stock exchange also to a person other than a foreign securities intermediary or other person referred to in subsections 1 and 2, if the applicant fulfils the requirements set in the law and in the stock exchange rules.

The stock exchange shall revoke the rights of a stock exchange member or another operator in the stock exchange for a set period or totally if the Financial Supervision Authority, after hearing the stock exchange, so demands for a weighty reason. The Financial Supervision Authority shall immediately notify the stock exchange as well as the party subject to the demand of its demand and the grounds thereto.

The stock exchange shall notify the Financial Supervision Authority of the granting and revocation of the rights of a stock exchange member and another operator in the stock exchange.

Section 26 (26.10.2007/923)

Right of a stock exchange member and another operator in the stock exchange to choose the clearing organisation

A stock exchange member and another operator in the stock exchange shall have the right to use also a clearing organisation, central securities depository or securities clearing and deposit institution other than one chosen by the stock exchange for implementing the obligations arising from securities transactions concluded in public trading provided that the co-operation between the stock exchange and the said clearing organisation, central securities depository or securities clearing and deposit institution is arranged so that the reliability of public trading is not endangered.

If a stock exchange member or another operator in the stock exchange intends to exercise the right in accordance with subsection 1, the said stock exchange, the Financial Supervision Authority and the Bank of Finland shall be notified thereof in advance. The notification shall present an account of the co-operation arrangements whereby the reliability of public trading is safeguarded.

The Financial Supervision Authority may forbid a stock exchange member and another operator in the stock exchange from using a clearing organisation, central securities depository or securities clearing and deposit institution other than that chosen by the stock exchange to implement the obligations arising from securities transactions if it is likely that the use of such organisation endangers the reliability of public trading.

Section 27 (26.10.2007/923)

Admission to public trading of a security

Upon application of the issuer, a stock exchange may admit to public trading a security which will likely be subject to sufficient demand and supply and which can thus be expected to have a reliable price formation. The other requirements under which a stock exchange can admit a security to public trading shall be provided for in the Commission Regulation.

The stock exchange may admit a security to public trading also without the consent of the issuer if the requirements in accordance with subsection 1 are fulfilled and if the same security has already been admitted to public trading in a public trading maintained by another stock exchange or in trading corresponding to public trading in another EEA Member State. If a security is admitted to public trading without the consent of the issuer of the security, the issuer may not be made subject to the duty of disclosure in the stock exchange rules.

If a security is admitted to trading without the consent of the issuer in accordance with subsection 2, the stock exchange shall notify the issuer thereof prior to the commencement of trading.

The stock exchange shall notify the Financial Supervision Authority of admittance of a security to public trading prior to the commencement of trading. If a share which is not subject to public trading or trading corresponding thereto in an EEA Member State is admitted to trading, the stock exchange shall simultaneously notify the Financial Supervision Authority of the estimates in respect of the said share required in Article 33 (3) of the Commission Regulation. The Financial Supervision Authority may issue further orders on the filing of the notifications.

Section 28 (26.10.2007/923)

Termination of public trading in a security

The stock exchange may decide to terminate public trading in a security if the security or its issuer no longer fulfils the requirements of the stock exchange rules and the termination of trading in a security does not cause significant detriment to investors or the proper operation of the securities markets.

A stock exchange may terminate public trading in a security also on application by the issuer if the termination of trading does not cause significant detriment to investors or the proper operation of the securities markets.

The stock exchange shall immediately notify the decision on the termination of trading in a security. In addition, the stock exchange shall notify the Financial Supervision Authority of the termination of trading and it will be liable to further notify to the competent authorities corresponding to the Financial Supervision Authority of the EEA Member States thereof.

The right of the Market Court to forbid the stock exchange from arranging public trading in a security shall be governed by chapter 7, section 2 (1).

Section 29 (26.10.2007/923)

Stock exchange listing

A stock exchange may keep a stock exchange list of securities subject to public trading referred to in Directive 2001/34/EC of the European Parliament and of the Council on the admission of securities to official stock exchange listing and on information to be published on those securities.

Section 30 (26.10.2007/923)

Admission of a security to stock exchange listing

A stock exchange may, on application by the issuer, admit to stock exchange listing a security which fulfils the requirements of section 27 (1) of this chapter. The requirements necessary to implement the Directive referred to in section 29 of this chapter, whereby a stock exchange may admit a security to stock exchange listing as well as the exemptions to be granted from the requirements, shall be provided for further by a Decree of the Ministry of Finance.

A security entitling to a share in accordance with the Limited-Liability Companies Act may be admitted to listing only if a share of the same class as the share to which the security entitles has been or is being admitted to public trading.

The company shall apply for the admission to listing of shares of the same class as those listed within one year from their issuance, unless the company has consented to the stock exchange admitting them to listing without an application.

An issuer shall apply for the simultaneous admission to stock exchange listing of securities referred to in chapter 1, section 2, subsection 1 (2) - (4) and (6) belonging to the same issue.

A stock exchange may, in order to protect the investors, reject an application for the admission of a security to stock exchange listing.

A stock exchange shall decide on the application for the admission to listing of a security within six months from receipt of the application. If a stock exchange requests from the applicant an additional account on the application during this period, the said time period shall be calculated from the date on which the stock exchange receives the additional account. If the stock exchange does not make the decision within the set period, the application shall be deemed rejected.

An issuer of the security shall have the right to refer the decision of the stock exchange referred to in subsections 5 and 6 to be handled by the Financial Supervision Authority within 30 days from the decision or from the termination of the set period referred to in subsection 6.

Section 31 (26.10.2007/923)

Removal of a security from stock exchange listing

Removal of a security from stock exchange listing shall be governed by the provisions of section 28 of this chapter on the termination of public trading in a security.

The issuer of a security shall have the right to refer the decision on the removal from stock exchange listing to be handled by the Financial Supervision Authority within 30 days from the decision. A registered organisation acting in order to protect the interests of the investors and an investor who owns the

said securities or securities entitling thereto shall have the corresponding right. The Financial Supervision Authority shall notify the stock exchange of the referral of the issue to be handled by it.

Section 32 (26.10.2007/923)

Trading calendar

The Financial Supervision Authority shall, in its Internet website, publish a calendar of trading days of public trading in the stock exchange.

Section 33 (26.10.2007/923)

Notifications to other Member States and the Commission

The Ministry of Finance shall, in accordance with Directive 2004/39/EC of the European Parliament and of the Council, keep a list of all regulated markets of securities for which rules have been confirmed under this Act. The Ministry of Finance shall notify the other EU Member States and the European Commission of the list if, upon confirmation of the rules, it has been possible to ensure that public trading in the market fulfils the requirements laid down for the notification. Any changes made in the list shall be notified of in the same manner.

Section 34 (26.10.2007/923)

Operation of a stock exchange in another EEA Member State

A stock exchange which intends to provide a securities intermediary or another person established in another EEA Member State with a direct possibility to trade in public trading, shall notify the Financial Supervision Authority thereof well in advance. The notification shall contain further information on the place where and the manner in which the possibility to trade is intended to be provided.

The Financial Supervision Authority shall, within one month from receipt of the notification, communicate the information it has received to the competent authority corresponding to the Financial Supervision Authority of the EEA Member State in which a securities intermediary or other person to which the stock exchange intends to provide the direct possibility is established.

The Financial Supervision Authority shall, on request of the competent authority corresponding to the Financial Supervision Authority of the EEA Member State, notify the authority of the securities intermediary or other person to which the stock exchange has granted the rights of a stock exchange member or another operator in the stock exchange.

The provisions of subsections 1 - 3 shall correspondingly apply to multilateral trading organised by the stock exchange.

Section 35 (26.10.2007/923)

Operation of a foreign stock exchange in Finland

Before an organiser of trading corresponding to public trading and established in another EEA Member State can provide a securities intermediary or another person established in Finland a direct possibility to trade, the competent authority of the State that has granted its authorisation shall notify the Financial Supervision Authority thereof.

An organiser of trading corresponding to public trading and authorised in a State outside the European Economic Area may provide securities intermediaries and other persons established in Finland a direct possibility to participate in trading only by permission of the Ministry of Finance.

The provisions of subsections 1 and 2 shall be applied only to trading corresponding to multilateral trading referred to in this Act organised by the organiser of trading.

Section 36 (26.10.2007/923)

Marketing of public trading

Public trading in securities may not be marketed by issuing false or misleading information or by using a procedure in violation of proper practice or a procedure that is otherwise improper.

CHAPTER 3 a (26.10.2007/923)

Multilateral trading

Section 1 (26.10.2007/923)

Organiser of trading

Only a stock exchange, an option exchange and a securities intermediary other than a management company referred to in section 2 of the Act on Common Funds or a foreign management company referred to in section 2 of the Act on the Operation of a Foreign Management Company in Finland may organise multilateral trading.

The organiser of multilateral trading may keep a broker's list of the securities subject to trading.

Section 2 (26.10.2007/923)

Rules of trading

An organiser of multilateral trading shall draw up and keep available to the public rules which contain regulations at least on the following:

- 1) the manner and grounds for the admission of a security to trading;
- 2) the trading procedure;
- 3) the manner and grounds for the granting and revocation of the rights of a trading party;
- 4) the rights and obligations imposed on the trading parties;
- 5) the manner in which the payment and delivery obligations arising from transactions are cleared and executed.

The organiser of multilateral trading shall submit the rules of trading and any amendments thereto to the Financial Supervision Authority prior to their entry into force.

Section 3 (26.10.2007/923)

Duty to declare of an organiser of trading

The organiser of multilateral trading shall provide adequate information on a security or otherwise ensure the availability of information in order for the trading parties to make an informed assessment of the security. In the provision of the information, the professional knowledge of the trading parties and the particularities of the security subject to trading shall be taken into account.

Section 4 (26.10.2007/923)

Admission as a trading party

An organiser of multilateral trading shall grant the rights of a trading party to a Finnish securities intermediary and to a securities intermediary correspondingly authorised in an EEA Member State who fulfils the requirements laid down in the law and in the rules of multilateral trading.

The rights of a trading party may be granted to another person whose domicile is in an EEA Member State if the person fulfils the requirements set in the rules of multilateral trading and if, on the basis of an account received on the trustworthiness, good repute, experience and other suitability or otherwise it is likely that the participation of the person in multilateral trading does not endanger the reliability of trading. The person shall, in addition, have adequate financial and other prerequisites to fulfil the obligations resulting from securities transactions

The organiser of multilateral trading may grant the rights of a trading party also to another than a foreign securities intermediary referred to in subsection 1 who has been granted the rights of a stock exchange member in accordance with chapter 3, section 25 (3).

The organiser of multilateral trading may, under the conditions set by the Ministry of Finance, grant the rights of a trading party also to another than a foreign securities intermediary referred to in subsections 1 and 3 or to a person whose domicile is outside the European Economic Area if the applicant fulfils the requirements set in the law and in the rules of multilateral trading.

The organiser of multilateral trading shall revoke the rights of a trading party for a fixed period or in full if the Financial Supervision Authority, after hearing the organiser of multilateral trading, so demands for a weighty reason. The Financial Supervision Authority shall immediately notify the organiser of multilateral trading as well as the party subject to the demand of its demand and the grounds thereto.

Section 5 (26.10.2007/923)

Admission to trading of a security

A security may be admitted to multilateral trading, the availability of information relating to which may be safeguarded in the manner referred to in section 3.

A security may be admitted to trading on application by the issuer of the security or without the consent of the issuer.

If a security is admitted to multilateral trading without the consent of the issuer of the security, the issuer may not be made subject to the duty of disclosure in the rules of multilateral trading.

Section 6 (26.10.2007/923)

Publicity of trading

The organiser of multilateral trading shall be under the obligation to make available to the public information on offers to buy and sell, invitations to tender as well as transactions relating to securities subject to multilateral trading other than such shares which are also subject to public trading or to trading corresponding thereto in another EEA Member State. The information shall be published to the extent necessary with regard to the nature and scope of the trading in the securities, to safeguard reliable and equal multilateral trading.

The organiser of multilateral trading shall be under the obligation to make available to the public information on offers to buy and sell as well as invitations to tender relating to shares subject to multilateral trading which are also subject to public trading or to trading corresponding thereto in another EEA Member State as provided for in the Commission Regulation.

The organiser of multilateral trading shall not, however, be liable to publish information on offers to buy and sell or invitations to tender in the manner referred to in subsection 2 if the market model or the type or size of the orders of multilateral trading fulfils the requirements on waiver from the obligation to publish laid down in the Commission Regulation.

The organiser of multilateral trading shall be under the obligation to make available to the public information as close to real time as possible on transactions in shares subject to multilateral trading and referred to in subsection 2 as provided for in the Commission Regulation.

The organiser of multilateral trading may decide that information on transactions that are large in size in scale compared with normal market size for the security may be published later than required in subsection 4. Further provisions on the preconditions for deferred publication are laid down in the Commission Regulation.

The organiser of multilateral trading shall, prior to making the decision referred to in subsection 5, obtain the permission of the Financial Supervision Authority for the arrangement by which the publication of the information is deferred. The organiser of multilateral trading shall also inform the public of the arrangements for deferred publication.

Section 7 (26.10.2007/923)

Clearing of trades

The organiser of multilateral trading shall arrange the clearing of securities trades concluded in multilateral trading in an appropriate manner.

If the organiser of multilateral trading uses in the clearing of securities trades a securities clearing and deposit institution other than a clearing organisation referred to in this Act, the organiser of multilateral trading, the clearing organisation as well as the clearing and custody institution shall arrange their co-operation so that the reliability of multilateral trading is not endangered.

The organiser of multilateral trading shall notify the Financial Supervision Authority and the Bank of Finland in advance of changes in the arrangement in accordance with subsection 2. The notification shall be appended with sufficient information for assessing whether the changes pose a danger to the reliability of multilateral trading.

The Financial Supervision Authority may forbid the organiser of multilateral trading from using in the clearing of trades a clearing organisation other than one referred to in this Act if the use of such organisation is likely to endanger the reliability of multilateral trading.

Section 8 (26.10.2007/923)

Supervisory duty of the organiser of trading

An organiser of multilateral trading shall attend to the arrangement of adequate and reliable supervision to ensure compliance with this Act and the provisions and regulations issued thereunder as well as with its rules.

The organiser of multilateral trading shall inform the Financial Supervision Authority of a procedure that is evidently in violation of this Act or the provisions or orders issued thereunder or of the rules of multilateral trading unless the procedure is rectified without delay or unless the state of the matters is otherwise corrected. If the provisions, orders or rules have been materially or repeatedly violated, it shall, however, always be notified.

Section 9 (26.10.2007/923)**Suspension and termination of trading**

An organiser of multilateral trading shall suspend or terminate trading in a security if this is necessary due to a procedure in violation of the rules and regulations on trading, the rules of trading or proper practice.

The organiser of multilateral trading shall without delay publish the decision on the suspension or termination of trading in a security. In addition, the organiser of trading shall notify the Financial Supervision Authority of the suspension and termination of trading.

The right of the Financial Supervision Authority to order the organiser of multilateral trading to terminate trading in a security shall be governed in chapter 7, section 1 a. The right of the Market Court to forbid multilateral trading in a security shall be governed by chapter 7, section 2 (1).

Section 10 (26.10.2007/923)**Marketing of trading**

Multilateral trading may not be marketed by issuing false or misleading information or by using a procedure in violation of proper practice or a procedure that is otherwise improper.

Section 11 (26.10.2007/923)**Broker's list rules**

An organiser of multilateral trading, which keeps a broker's list of the securities subject to trading, shall draw up and keep available to the public rules relating to the broker's list. In addition to the provisions elsewhere in this chapter, the rules shall state:

- 1) the types of demands, rights and duties imposed on issuers of securities and their management for the fulfilment of the duties based on this Act and the provisions and orders issued thereunder as well as on the rules of the broker's list or otherwise;
- 2) the manner and procedure for the publication of the information on a security and its issuer;
- 3) the manner for the drawing up and publication of the company prospectus relating to a security and its issuer if the prospectus referred to in chapter 2 need not be published on the security;
- 4) the sanctions that may be imposed on issuers of securities and the trading parties for breach of the rules of the broker's list and the manner for their imposition.

Section 12 (26.10.2007/923)**Admission of a security on the broker's list**

A security may be admitted to a broker's list on application by the issuer of a security if adequate information is available on a security and its issuer on the basis of which trading may be arranged in a reliable manner.

An issuer of a security shall conclude a written agreement with the organiser of trading on the admission to trading where it undertakes to comply with the rules of the broker's list.

Section 13 (26.10.2007/923)**Information influencing the value of a security**

An issuer of a security subject to trading on the broker's list shall, without undue delay, publish and inform the organiser of trading of all information on itself that may be likely to influence the value of the security. An issuer or an organiser of trading shall keep the published information available to the public.

The rules of the broker's list shall state what information the issuer of a security shall publish under subsection 1. The rules shall take into consideration the special features of the securities subject to trading and their issuers and the trade thereon as well as the investors participating in the trading.

The provisions of subsection 1 shall not be applied if the issuer is a State, its central bank, a municipality, a joint municipal organisation or the European Central Bank or an international public body whose members include at least two EEA Member States. The provisions of subsection 1 shall, however, also apply to an issuer referred to in this subsection if it publishes the information referred to in subsection 1 elsewhere in the European Economic Area.

Section 14 (26.10.2007/923)

Public bid

Anyone who publicly offers to buy shares or securities entitling to shares admitted to the broker's list may not place the holders of the securities subject to the bid in an unequal position.

The party placing the bid shall give the holders of the securities in the target company essential and adequate information on the basis of which the holders of the security may make an informed estimate on the bid.

The bid shall be made public as well as notified to the holders of the securities, the organiser of multi-lateral trading and the Financial Supervision Authority. Prior to making the bid public, the offeror shall ensure that it can fulfil in full any cash consideration, if such is offered, and take all reasonable measures that may be required to secure the implementation of any other type of consideration.

A public bid is governed, where applicable, by the provisions of chapter 6, section 12, subsections 1 and 3 and chapter 6, section 13.

CHAPTER 4 (26.10.2007/923)

Securities trading and provision of investment services

Section 1 (26.10.2007/923)

Proper practice in securities trading and the provision of investment services

Procedure that is contrary to proper practice may not be employed in securities trading and in the provision of investment services.

An investment service and an ancillary service may not be marketed by issuing false or misleading information. The marketing shall reveal its commercial purpose.

The Financial Supervision Authority shall issue further provisions necessary for the implementation of Commission Directive 2006/73/EC implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of the Directive, hereinafter *Commission Directive*, on the charges and other benefits paid to and payable by a third party in connection with the provision of investment services and ancillary services as well as on requirements set on the information to be given to a client.

Section 2 (26.10.2007/923)
Contract on investment service

A contract shall be concluded in writing on the provision of investment service indicating the rights and obligations of the parties as well as other terms of the contract. The contract may be concluded electronically as provided for in section 12 of the Act on the Provision of Information Society Services (458/2002). The duty to conclude the contract in writing shall not apply to a securities intermediary when it offers solely investment advice as investment service nor when it offers investment service to a professional client.

The contract may not include a contract term that is contrary to proper practice or unreasonable in respect of the client.

Section 3 (26.10.2007/923)
Information relating to a client

A securities intermediary who provides as investment service investment advice or asset management shall, prior to the provision of investment service, obtain sufficient information on the financial situation of the client, his investment experience and knowledge relating to the said investment service or security as well as on his investment objectives so as to enable it to recommend to the client securities and service suitable for him.

If the securities intermediary provides other investment service than that referred to in subsection 1, the securities intermediary shall, prior to the provision of the investment service, ask the client to provide information regarding his investment experience or knowledge relating to the said security or investment service so as to enable it to assess whether the security or service is appropriate for the client. If the securities intermediary considers, on the basis of the information received, that the security or service is not appropriate for the client, it shall notify the client thereof. If the client refuses to provide the information requested, the securities intermediary shall inform the client that it cannot determine whether the security or service is appropriate for the client.

The provisions of subsection 2 shall not apply to the execution or transmission of orders at the initiative of the client if the client has been informed that, in providing the service, the securities intermediary shall not be liable to assess the suitability of the service or security for the client and the service involves:

- 1) shares which are subject to public trading or trading corresponding thereto in another State;
- 2) money-market instruments;
- 3) bonds or other similar debt instrument not embedded with a derivative;
- 4) units or units in an UCITS in accordance with the Mutual Fund Directive; or
- 5) other non-complex securities provided for in Article 38 of the Commission Directive.

The Financial Supervision Authority shall issue further provisions necessary for the implementation of the Commission Directive on the information to be requested from a client in accordance with subsections 1 and 2 and the procedure to be complied with in the request for the information.

Section 4 (26.10.2007/923)
Duty of disclosure of a securities intermediary

The securities intermediary shall submit to a retail client well in advance before the conclusion of the contract on an investment service or an ancillary service the conditions of the contract as well as sufficient information on the securities intermediary and the service to be provided.

The securities intermediary shall submit to a retail client well in advance before the provision of an investment service or ancillary service sufficient information on:

- 1) the securities intermediary and the services provided by it;
- 2) the securities subject to the service and the related risks;
- 3) investment strategies if suggested and the risks involved therein;
- 4) the places where orders will be executed;
- 5) the depositing of client funds;
- 6) the expenses and fees relating to the service.

A securities intermediary shall inform a retail client well in advance of any material changes in the information referred to in subsection 2.

The information referred to in subsections 1 - 3 shall be given to the client in the permanent manner referred to in chapter 1, section 4 a, subsection 2. With the consent of the client, the information may be given to the client in the Internet website of the securities intermediary without having to address it to the client personally if this is appropriate in connection with the execution of the transactions between the securities intermediary and the client and if the information is available for an adequate period of time

If the contract on an investment service or an ancillary service is concluded, on request by a retail client, by using a means of distance communication referred to in chapter 6 a, section 4 of the Consumer Protection Act (38/1978) so that the information referred to in subsection 1 cannot be given in the manner referred to in subsection 4 prior to the conclusion of the contract and the information referred to in subsection 2 prior to the commencement of the service, the information required in subsection 1 shall be given without delay after the conclusion of the contract and the information required in subsection 1 without delay after the provisions of the service has been started.

A securities intermediary shall give a retail client sufficient information on the service provided to it such as information on the transactions and services executed on behalf of the client and their costs as well as on the monetary funds and other property held by the securities intermediary.

The Financial Supervision Authority shall give further orders necessary for the implementation of the Commission Directive on information to be given to a retail client and the procedure to be complied with in giving the information as well as on the duty of the securities intermediary to give information to a professional client.

Section 5 (26.10.2007/923)

Careful execution of orders

A securities intermediary who provides execution of orders as an investment service shall implement reasonable measures whereby the best possible result may be achieved for the client taking into account the material risks relating to the execution of the order. If the client has issued specific instructions for the handling of the order, the securities intermediary shall comply therewith.

The securities intermediary shall have operating principles for the execution of the orders including information on the trading places where the securities intermediary executes the orders as well as the factors having an effect on the choice of the trading place. The securities intermediary shall monitor the appropriateness of its operating principles.

A securities intermediary shall give to the client sufficient information on its operating principles prior to the provision of investment service. The securities intermediary shall inform his clients of material changes in his operating principles.

If, according to the operating principles, an order may be executed outside public trading or multi-lateral trading or trading corresponding thereto in another State, the express consent of the client shall be obtained thereto.

The Financial supervision Authority shall issue further orders necessary for the implementation of the Commission Directive on the procedure to be complied with in the execution of orders as well as on the manner in which a securities intermediary providing asset management or transmission of orders as an investment service shall act in handling the orders of its clients.

Section 6 (26.10.2007/923)

Handling of orders

A securities intermediary who provides execution of orders as an investment service shall execute the orders of the clients without undue delay. A securities intermediary may not let the interests of another client or his own interests influence the execution of the order of the client.

A securities intermediary shall execute the orders of the clients in their order of arrival if this is possible taking into consideration the size of the order, the price limit set by the client or any other terms of the order as well as the manner in which the order has been placed.

The Financial Supervision Authority shall issue further orders necessary for the implementation of the Commission Directive on the procedure to be complied with in the handling of orders as well as on the manner in which a securities intermediary providing asset management or transmission of orders as an investment service shall act in handling the orders of its clients.

Section 7 (26.10.2007/923)

Receipt of a client order from another securities intermediary

A securities intermediary who receives an order of a client relating to an investment service or an ancillary service from another securities intermediary may act in accordance with the information on the client and instructions relating to the order it has received from the other securities intermediary.

Section 8 (26.10.2007/923)

Duty to publish limit orders

A securities intermediary who, under prevailing market conditions, cannot immediately execute an order of a client to buy or sell a share subject to public trading or trading corresponding thereto in another EEA Member State at a price limit set by a client or better shall, in order to have the order executed as soon as possible, immediately publish the order in a manner whereby it is easily accessible to other market participants. A securities intermediary shall, however, not be under an obligation to publish if the client issues an instruction specifically derogating therefrom.

A securities intermediary shall be deemed to have published the order in the manner referred to in subsection 1 at least when the securities intermediary has transmitted it to be published in public trading, multilateral trading or in trading corresponding thereto in another EEA Member State as further provided for in the Commission Regulation. Also other methods of publishing an order shall be further governed by the Regulation.

A securities intermediary may waive the obligation to publish a limit order in the manner laid down in subsections 1 and 2 if the order is large in scale compared with the normal market size of the share. Provisions on the determination of the minimum size of a large order compared with the normal market size of a share shall be issued in the Commission Regulation.

Section 9 (26.10.2007/923)**Transactions in public trading and in multilateral trading**

Transactions concluded between stock exchange members and other operators in the stock exchange shall not be governed by section 1 (2) and (3), sections 2 - 6 nor section 8 of this chapter when the transaction is executed in public trading.

The provisions of subsection 1 shall also apply to transactions between the trading parties of multilateral trading as well as between the organiser of trading and the trading parties when the transaction is executed in multilateral trading.

Section 10 (26.10.2007/923)**Obligations of systematic internalisers**

A securities intermediary who intends to commence or terminate operations as a systematic internaliser in a share subject to public trading or to trading corresponding thereto in another EEA Member State shall notify the Financial Supervision Authority thereof in writing one month prior to the commencement of the operations.

Subsections 4 - 11 of this section shall apply to:

- 1) systematic internalisers referred to in subsection 1 which execute transactions in shares for which there is a liquid market; and to
- 2) transactions up to standard market size.

The Commission Regulation includes provisions on the manner for determining the shares for which there is a liquid market, the manner for determining the standard market size for each such share and on the manner in which information is published thereon. Selection of the grounds referred to in Article 22 (1) - (3) of the Commission Regulation shall be provided for by a Decree of the Ministry of Finance.

A systematic internaliser shall be liable to publish binding offers to buy or sell shares corresponding to the market situation from time to time as provided for in the Commission Regulation. With regard to size, the offer may be up to the standard market size for the share. The systematic internaliser shall have the right to change the offer at any time. In an exceptional market situation, the systematic internaliser may also withdraw the offer.

The systematic internaliser in trades shall be liable to execute the order of a client in accordance with its offer in force at the time of reception of the order unless otherwise provided for in subsections 6 - 11 of this section.

A systematic internaliser may execute the order of a professional client at a price better than its offer if the better price is within such public price limits which are close to the market situation and if the order is bigger in size than a customary order of a retail client. The size of a standard order of a retail customer shall be provided for in the Commission Regulation.

A systematic internaliser may also execute an order of a professional client at a price that is better than the offer if the order is part of an order to be executed in several securities or if the order, in accordance with its conditions, is subject to other than the market price. Further provisions on exceptions in accordance with this subsection shall be provided in the Commission Regulation.

Upon receiving an order of a client which is bigger in size than the biggest offer of the systematic internaliser but smaller than the standard market size of the share, the systematic internaliser may execute also the part of the order exceeding the offer provided that it is executed at a price in accordance

with the bigger offer or, if the order is subject to any of the exceptions of subsection 6 or 7, at a better price.

Upon receiving an order from a client that with regard to its size is between two offers of the systematic internaliser, the systematic internaliser may execute the entire order at the price of either offer or, if the order is subject to any of the exceptions of subsection 6 or 7, at a better price.

In accordance with its commercial policy, the systematic internaliser shall have the right to decide which clients it shall give access to its offers. The decision shall be clear and equal. The systematic internaliser may, on commercial considerations, refuse to enter into or discontinue a business relationship with a client.

The systematic internaliser shall have the right to limit in a non-discriminatory way the number of transactions from the same client and the total number of transactions from different clients if the number or volume of orders sought by clients considerably exceeds the norm. Further provisions on the preconditions for limiting the transactions are laid down in the Commission Regulation.

Section 11 (26.10.2007/923)

Obligation of a securities intermediary to publish information on transactions in shares

A securities intermediary who executes transactions outside public trading or multilateral trading or trading corresponding thereto in another EEA Member State on his own account or on account of a client in shares which are subject to public trading or trading corresponding thereto in another EEA Member State shall be liable to make available to the public information on the transactions as close to real time as possible.

The Commission Regulation issues further provisions on:

- 1) the information to be published on transactions;
- 2) the time within which the information shall be published at the latest;
- 3) the different means by which a securities intermediary may publish the information;
- 4) the requirements which the arrangements of the securities intermediary for the publication of the information shall meet;
- 5) the procedure in a situation where, according to subsection 1, two securities intermediaries are under the obligation to publish information on the same transaction.

A securities intermediary may decide to publish information on a transaction later than required in subsection 1 if the transaction is bigger in size compared to standard trading in the said share. Further provisions on the preconditions for deferred publication are laid down in the Commission Regulation.

Section 12 (26.10.2007/923)

Management of conflicts of interest

A securities intermediary shall take reasonable steps to identify and prevent conflicts of interest and, if they arise, treat the client in accordance with proper practice.

If a conflict of interest cannot be avoided, the securities intermediary shall provide, in a permanent manner referred to in chapter 1, section 4 a (2), the client with sufficient information on the nature of the conflict of interest or on its source before undertaking a transaction on his behalf.

A securities intermediary shall have operating principles for procedures to be complied with in the identification and prevention of conflicts of interest.

The Financial Supervision Authority shall issue further provisions on the procedures referred to in subsection 3 necessary for the implementation of the Commission Directive.

Section 13 (26.10.2007/923)

Presentation of research data and investment recommendations relating to securities

A securities intermediary who produces or disseminates research data relating to securities subject to public trading or to their issuers or produces or disseminates other investment recommendations meant for investors or the general public shall, with reasonable means, aim at ensuring that the data is presented in an appropriate manner. The securities intermediary shall notify any interests and conflicts of interests possibly connected to the securities forming the data subject. The Financial Supervision Authority may issue further orders necessary for the implementation of the provisions issued by the European Commission under the Market Abuse Directive.

The provisions of subsection 1 on the duties of the securities intermediary shall also be applied to another person who as his professional or business activity produces or disseminates the information referred to in subsection 1.

The provisions of subsection 2 shall not apply to the originator of a message provided to the public referred to in the Act on the Exercise of Freedom of Expression in Mass Media (460/2003) if the originator is committed to comply with the rules, which are drawn up for the professionals of the organisation representing the persons providing messages in publishing and broadcasting or by the publisher or the broadcaster which, with regard to their effects, correspond to those of the Market Abuse Directive as well as the provisions issued by the European Commission.

Section 14 (26.10.2007/923)

Depositing of client funds

A securities intermediary shall arrange the custody, handling and clearing of the monetary assets and other property of a customer (*client funds*) entrusted to it in a reliable manner. The custody, handling and clearing of client funds shall be arranged so that there is no danger of their confusion with the own funds of the securities intermediary or with the funds of another client of the securities intermediary.

The monetary funds of a client shall be deposited without delay in an account in a central bank, a deposit bank or in a credit institution entitled to receive deposits authorised in another State. A securities intermediary may invest the monetary funds of a client also in units in a fund of a money market fund which is registered in another EEA Member State and fulfils the requirements of the Mutual Fund Directive or is otherwise subject to supervision unless the customer has forbidden it. If the monetary funds of a client are invested in a manner other than in an account in a central bank, the securities intermediary shall comply with due diligence in choosing the deposit bank, foreign credit institution or money-market fund that will keep the monetary funds in custody. The securities intermediary shall adequately ensure that the monetary funds of the client are kept separate from the assets of the securities intermediary. A securities intermediary which is a deposit bank may, however, deposit the monetary funds of the client in an account in the same deposit bank.

A securities intermediary which keeps the securities of the client in custody of a third-party custodian shall comply with due diligence in choosing the custodian. The securities intermediary shall keep the securities of the client in custody of an organisation supervised by the Financial Supervision Authority or by a competent authority comparable thereto in another State where this is possible. The securities intermediary shall adequately ensure that the securities kept in custody of a third-party custodian may be kept separate from the securities belonging to the securities intermediary or the custodian.

The Financial Supervision Authority shall issue further provisions on the depositing of client funds necessary for the implementation of the Commission Directive.

Section 15 (26.10.2007/923)

Pledge or conveyance of the securities of a client

A securities intermediary may not pledge or convey a security belonging to a client on his own account or on account of another client without the separate express consent of the said client. The consent shall include the terms relating to the pledge or other conveyance of securities. The consent of a retail client shall be given in writing or in another corresponding manner referred to in section 2 of this chapter.

If the securities of a client are kept in a joint account, the securities intermediary may take the measure referred to in subsection 1 only if:

- 1) each client whose securities are kept in the joint account has given the consent referred to in subsection 1; or if
- 2) the securities intermediary has available to him adequate systems and supervisory methods to ensure that the measure is directed only at the securities of a client who has given the consent thereto referred to in subsection 1.

The securities intermediary shall keep adequate information on measures referred to in subsection 2.

Notwithstanding the provisions of subsections 1 and 2, a securities intermediary may, however, pledge or convey a security received as a pledge from the client over which the pledge holder may order in accordance with the Act on Financial Collateral (11/2004). The securities intermediary may also, notwithstanding the provisions of subsections 1 and 2, convey a security belonging to its client as pledge for the fulfilment of an obligation of the client to a clearing organisation or clearing party resulting from a transaction relating to the security.

Section 16 (26.10.2007/923)

Duty to declare relating to market abuse

If the securities intermediary has reason to suspect that use of inside information or market price distortion of a security in violation of chapter 5 or chapter 51 of the Penal Code is connected to a transaction, it shall declare it to the Financial Supervision Authority without delay.

The fact that the declaration has been submitted may not be revealed to the party being suspected nor to any other person.

The declaration shall include at least information on the party submitting the declaration, the suspicious transaction and the persons connected thereto as well as any information in possession of the party submitting the declaration which may be of relevance in the investigation of the suspicion.

The Financial Supervision Authority may issue further regulations on the content and the manner of submission of the declaration.

Section 17 (26.10.2007/923)§

Liability for damages

A securities intermediary shall be liable to compensate a financial damage incurred by the client from the declaration of a suspicious transaction only if the securities intermediary has not complied with such diligence that may be reasonably required from it.

The liability in damages of the securities intermediary shall otherwise be governed by the provisions of the Tort Liability Act (412/1974).

Section 18 (26.10.2007/923)

Reporting on transactions

A Finnish securities intermediary and a branch of a foreign securities intermediary located in Finland shall report to the Financial Supervision Authority all the transactions executed on securities subject to public trading without delay and at the latest on the following banking day irrespective of the place of execution of the transaction. A securities intermediary shall likewise report transactions in securities that are subject to trading corresponding to public trading in an EEA Member State.

The provisions of subsection 1 shall not apply to transactions executed by a branch of a Finnish securities intermediary located abroad.

The transactions may be reported to the Financial Supervision Authority by:

- 1) the securities intermediary;
- 2) a third party acting on behalf of the securities intermediary;
- 3) instead of the securities intermediary, a stock exchange, the organiser of multilateral trading, an option corporation referred to in the Act on Trade in Standardized Options and Futures or an organiser of trading corresponding thereto, located in another EEA Member State, in the trading arranged by which the transaction was executed;
- 4) instead of the securities intermediary, a party maintaining a trade-matching or reporting system and separately approved by the Financial Supervision Authority.

The Commission Regulation provides further for the transactions to be reported, the information content of the report and the requirements set on the reporting systems as well as for the preconditions under which the Financial Supervision Authority shall approve the party maintaining the system referred to in subsection 3 (4).

The Financial Supervision Authority may issue orders on the information content of the transaction report within the limits set by the Commission Regulation. In addition, the Financial Supervision Authority may issue further technical provisions on the manner of presentation and manner of delivery of the transaction report.

In accordance with this section, the securities intermediary shall be liable to report transactions in securities other than those referred to in subsection 1 to the Financial Supervision Authority if the value of the security is determined on the basis of the security referred to in subsection 1 or if, with a view to the nature and scope of the trading in the security, efficient supervision of the securities markets requires reporting. The Financial Supervision Authority shall issue further orders on the grounds on which the nature and scope of trading shall be estimated for this purpose.

A securities intermediary other than one referred to in subsection 1 shall, on request of the Financial Supervision Authority, supplement the information reported to the Financial Supervision Authority on a transaction if this is necessary with regard to supervision. The Financial Supervision Authority may issue further orders on the manner of presentation and manner of delivery of the supplement.

The obligation of the Financial Supervision Authority to deliver reporting information further to the competent authorities of other EEA Member States shall be governed by the provisions of the Commission Regulation.

CHAPTER 4 a (8.5.1998/321)

Clearing operations

Requirement of a license

Section 1 (8.5.1998/321)

The operations of a clearing organisation may not be carried out without a license granted by the competent Ministry.

The clearing of standardised derivatives contracts shall be governed by the provisions of the Act on Trading in Standardised Options and Futures.

Applying for a license (22.10.1999/970)

Section 1 a (22.10.1999/970)

The Ministry of Finance shall, on application, grant the license to operate a clearing organisation. The license may also be applied for a company to be established.

The application shall contain a sufficient account of the applicant, the most important shareholders of the applicant, the holdings of the shareholders as well as the place of business, the nature of operations to be carried out as well as the persons in charge of the management of the clearing organisation. The manner of calculating of the holding referred to in this subsection shall be provided for in section 2 d and in chapter 2, section 9.

The application shall also contain information on the reliability, good reputation, experience and other suitability of the shareholders, the persons comparable with shareholders in accordance with chapter 2, section 9 as well as of at least two persons engaged in the management so that in accordance with the accounts received and taking into consideration the planned extent of the business of the applicant it may be considered likely that the clearing organisation shall be managed with professional skill as well as in compliance with sound and prudent business principles. The application shall be appended with a detailed account on the arrangement of the clearing operations, the management of the risks relating to the operations as well as on the safeguarding of the liquidity of the clearing organisation.

The Ministry of Finance shall have the right to demand also other accounts it deems necessary in addition to those referred to in subsections 2 and 3. The Ministry of Finance may, at the cost of the applicant, acquire special clarification to assess an issue relating to the application or to the rules of the clearing organisation requiring special expertise.

Granting of a license (22.10.1999/970)

Section 2 (22.10.1999/970)

A license to operate a clearing organisation shall be granted to a Finnish limited company which has reliable administration, sufficient economic operating conditions and whose organisation of operation as well as the rules to be complied with in its operation provide sufficient protection to investors unless the commencement of the operation is not contrary to public interest. The Ministry of Finance shall, after hearing the applicant of the license, have the right to set restrictions and conditions relating to the operation of a clearing organisation.

A license may be granted to an applicant whose fully paid share capital is at least five million euros. If the organisation, due to its other operations, has to fulfil capital requirements provided for elsewhere in the law, the requirement in accordance with this subsection shall be fulfilled in addition to those requirements.

The application shall be decided within six months from receipt thereof or, if the application has been defective, from the date on which the applicant has submitted the documents and accounts necessary for deciding the issue. A decision relating to a license shall, however, always be made within 12 months from receipt of the application. (28.12.2001/1517)

The Ministry of Finance shall, prior to deciding the issue, request an opinion of the Bank of Finland and the Financial Supervision Authority on the application. If the operations of the organisation include the clearing of securities incorporated in the book-entry system, a statement of the Central Securities Depository shall be requested, where necessary.

The license shall be granted also to an SE which has been granted a corresponding license in another State belonging to the European Economic Area and which intends to transfer its registered office to Finland in accordance with Article 8 of the Regulation. The Ministry of Finance shall, in addition, request an opinion of the authority supervising the securities markets of the State in question on the application for a license. The transfer of a registered office may not be registered before the issue of the license. The same shall apply to the establishment of a European company by merger so that the receiving company whose registered office is in another State will be registered as an SE in Finland. (13.8.2004/752)

Revocation of a license, restriction and suspension of clearing operations

Section 3 (8.5.1998/321)

The Ministry of Finance may revoke the license of a clearing organisation in full or in part if:

- 1) the operation has involved a material breach of an Act or a decree or orders issued there under by the authorities, the conditions of the license or the Articles of Association or the Rules of the clearing organisation;
- 2) it has ceased to operate for more than six months;
- 3) the conditions stipulated for the granting of a license no longer exist;
- 4) its operation or a part thereof has not been started within 12 months from the granting of the license; or if
- 5) misleading information has been given when applying for a license. (22.10.1999/970)

Instead of revoking the license, the Ministry of Finance may restrict the operations of the clearing organisation in accordance with subsection 3 if this can be deemed to be a sufficient measure. (22.10.1999/970)

The competent Ministry may, for a fixed period, restrict the operations of a clearing organisation in accordance with its license if incompetence or carelessness has been found in the operations of the organisation or if it is likely that the operations of the organisation may endanger the stability of the financial markets or the interests of investors or clearing parties.

The competent Ministry may, on proposal of the financial Supervision Authority, order that the clearing operations carried out by the clearing organisation be suspended for a fixed period of time or until further notice if the clearing operations have been disturbed so that their continuance may endanger the interests of investors or clearing parties. The competent Ministry shall have the right to issue orders on the arrangement of clearing operations during the time during which the operations of the clearing organisation are suspended.

The Ministry of Finance shall, prior to making a decision referred to in subsections 1–4, hear the clearing organisation in question and request, prior to making a decision referred to in subsections 1–3, a statement of the Financial Supervision Authority unless otherwise required by the urgency of the matter. (22.10.1999/970)

Notification of voting rights and control (22.10.1999/970)

Section 3 a (22.10.1999/970)

If anyone proposes to acquire alone or together with a shareholder or a person corresponding to a shareholder referred to in chapter 2, section 9 a holding of a clearing organisation which would be equal to at least one-twentieth of the share capital or voting rights of a clearing organisation, the Financial Supervision Authority shall be notified of the acquisition well in advance.

If the purpose is to increase the holding referred to in subsection 1 so that it would reach or exceed one-tenth, one-fifth, one-third or half of the share capital or voting rights of the clearing organisation, the Financial Supervision Authority shall be notified also of this acquisition in advance. The corresponding duty to notify shall be complied with when the holding referred to in subsection 1 would fall below the thresholds referred to in this subsection and in subsection 1.

In calculating the portion of holding and voting rights referred to in subsections 1 and 2, the provisions of chapter 1, section 5 and in chapter 2, section 9, subsections 1 and 2.

A clearing organisation shall notify the Financial Supervision Authority at least one time annually of the holders of the holdings referred to in subsections 1 and 2, the persons corresponding to holders of holdings in accordance with subsection 1 as well as their portions of the share capital and voting rights of the clearing organisation if they are known to it. A clearing organisation shall immediately notify the Financial Supervision Authority of any changes in the holdings that have come to its knowledge.

The notifications shall contain sufficient information on the size of the holding and its holders as well as any other information required by the Financial Supervision Authority.

The provisions of this section on a clearing organisation and on notification of a portion to be acquired thereof shall also apply to an organisation which has control over the clearing organisation in the manner provided for in chapter 1, section 5.

Opposition to an acquisition (22.10.1999/970)

Section 3 b (22.12.1999/970)

The Financial Supervision Authority may, within three months from the receipt of a notification referred to in section 2 d, object to the acquisition of a holding if it is likely, based on the information obtained on the reliability, good reputation, experience and other suitability of the holders or otherwise that the holding would endanger the sound and prudent business principles of the stock exchange.

If the acquisition a holding is not notified or if a holding has been acquired despite the objection of the Financial Supervision Authority, the Financial Supervision Authority may deny the holder of the holding his rights to use his voting rights in the organisation.

The rules of a clearing organisation

Section 4 (8.5.1998/321)

A clearing organisation shall have rules containing regulations supplementary to this Act on the operation of a clearing organisation. The rules and their amendments shall, on request, be confirmed by the Ministry of Finance if they fulfil the requirements of reliable clearing operations and if adequate and reliable supervision for compliance therewith and with the provisions and regulation on the operations of a clearing organisation and with proper practice has been arranged in a proper manner. The application shall be decided within three months from receipt thereof or, if the application has been defective, from the date on which the applicant has submitted the documents and accounts necessary for deciding the issue. The decision shall, however, always be made within six months from receipt of the applica-

tion. The Ministry of Finance shall, prior to confirming the rules or any amendments thereto, request an opinion thereon of the Bank of Finland and the Financial Supervision Authority. If the operations of the organisation include clearing of securities incorporated in the book-entry system, an opinion shall, where necessary be requested of the Central Securities Depository as well as the stock exchange or the organiser of other public trading in question in order to ensure integration of the rules and to enhance trust in the securities markets. (28.12. 2001/1517)

The rules may be confirmed if, with regard to the protection of an investor and a clearing party, they contain adequate provisions on:

- 1) the type of securities transactions and other transfers to be accepted for clearing by the clearing organisation;
- 2) the manner and time for the arrangement of clearing;
- 3) the manner and the grounds for the approval as a clearing party and the revocation of these rights;
- 4) the manner in which the obligations arising from a securities transaction and other transfer shall be determined in clearing;
- 5) the manner in which the obligations are confirmed as binding on the parties to the transaction and the clearing parties;
- 6) the manner in which the clearing organisation shall be liable for the fulfilment of the obligations;
- 7) the time within which and the manner in which the obligations shall be fulfilled;
- 8) the manner for ensuring the liquidity of the clearing organisation;
- 9) the manner for depositing the collateral referred to in section 7 safeguarding the clearing operations;
- 10) the manner for covering the risk of loss resulting from clearing;
- 11) the manner for arranging clearing in disturbance situations or when a clearing party neglects its obligations belonging to clearing operations;
- 12) the manner in which the clearing parties shall be liable for clearing;
- 13) the manner of dividing the issuing of decisions supplementing the rules between the Board of Directors and the Managing Director; as well as
- 14) the manner of attending to the supervisory duties belonging to the clearing organisation under the law. (28.12.2001/1517)

If the clearing organisation carries out clearing of lending and repurchase agreements referred to in section 5, subsection 1, paragraph 1 or if obligations are combined in the operations of the clearing organisation in accordance with the Act on Certain Terms of Securities and Currency Trading (588/1997), provisions on these operations shall be included in the Rules of the clearing organisation.

The Ministry of Finance may, in order to enhance trust in the operation of the clearing organisation or for another weighty reason, order that the provisions of the rules it has confirmed be amended or supplemented. The Ministry of Finance shall, prior to issuing the order, request an opinion thereon of the Financial Supervision Authority and the Bank of Finland. If an important public interest requires that clearing be arranged and the rules of a clearing organisation or an amendment thereto have not been confirmed due to the dismissal of the application or for another weighty reason, the Ministry of Finance may order that clearing be arranged. (28.12. 2001/1517)

Business operations of a clearing organisation

Section 5 (8.5.1998/321)

A clearing organisation may, in addition to the clearing operations referred to in chapter 1, section 4, subsection 2, under the conditions attached to its license:

1. carry out the clearing of financial transactions implemented in securities and trades concluded in multilateral trading referred to in the Commission Regulation; (26.10.2007/923)

2. offer data processing services relating to the transfer and custody of securities and training, information and data processing services relating to the development of the securities and financial markets;
3. carry out central securities depository operations and keep a book-entry register as provided for in the Act on the Book-Entry System;
4. act as a clearing party as provided thereon in this Act; as well as (26.10.2007/923)
5. carry out option exchange operations as provided for in the Act on Trading in Standardised Options and Futures.

A clearing organisation may not own shares or participations in an organisation other than one providing services referred to in this section unless the Financial Supervision Authority, for a special reason, grants an exemption from this restriction. A clearing organisation may entrust duties belonging to the clearing operations complying with its Rules to another organisation. The assets of a clearing organisation shall be invested in a safe manner safeguarding the liquidity of the organisation.

A clearing organisation may not carry out other operations than those referred to in this section. The business operations of a clearing organisation referred to in this section may not endanger the clearing operations.

Transfer of the registered office, merger and division in the European Economic Area

(28.12.2007/1424)

Section 5 a (13.8.2004/752)

If a clearing organisation intends to transfer its registered office to another State belonging to the European Economic Area as provided for in Article 8 of the SE Regulation, the clearing organisation shall submit a copy of the transfer proposal and the report referred to in Article 8 (2) and (3) of the SE Regulation without delay after the clearing organisation has notified the plan for registration.

The registration authority may not issue a certificate referred to in section 9, subsection 5 of the Act on European Companies if the Financial Supervision Authority has notified the registration authority prior to the granting of the permission referred to in subsection 2 of the same section that the clearing organisation has not complied with the provisions on the transfer of the registered office or the termination of operations in Finland. The permission may be granted before one month has passed from the due date referred to in chapter 16, section 6, subsection 2 of the Limited Liability Companies Act only if the Financial Supervision Authority has notified that it does not oppose the transfer of the registered office. (21.7.2006/646)

Section 5 b (28.12.2007/1424)

If a clearing organisation participates in cross-border merger or cross-border division in the European Economic Area, the registration authority may not issue a certificate relating to such merger referred to in section 4, subsection 3 of the Act on European Companies or in chapter 16, section 26 of the Limited-Liability Companies Act or a certificate relating to division referred to in chapter 17, section 25 of the latter Act if the Financial Supervision Authority has notified the registration authority prior to the granting of the permission referred to in subsection 2 of the said section that the clearing organisation has not complied with the provisions on merger or division or the termination of operations in Finland. The permission may be granted before one month has passed from the due date referred to in chapter 16, section 6 (2) or in chapter 17, section 6 (2) of the Limited-Liability Companies Act only if the Financial Supervision Authority has notified that it does not oppose the merger, the division or the transfer of the registered office relating to the establishment of a SE.

Restriction on the right to exercise control

Section 6 (8.5.1998/321)

At a meeting of a stock exchange and an organisation which has control over the stock exchange in the manner provided for in chapter 1, section 5, no one may vote with more than one-twentieth of the votes represented at the meeting. Companies belonging to the same group and their pension foundations and pension funds shall in the application of the voting restriction be deemed one entity. (22.10.1999/970)

Where the validity of a resolution of the meeting depends on a qualified majority of votes in favour of the resolution, the qualified majority shall be calculated of the votes calculated in accordance with subsection 1.

Subsection 3 repealed by the Act of 26.10.2007/923.

Safeguarding the operations of a clearing organisation

Section 7 (8.5.1998/321)

In order to safeguard its operations, a clearing organisation may conclude a contract with the clearing parties on the distribution of losses possibly arising from the operations of the clearing organisation. In the contract, the liability of a clearing party may be restricted to only a part of the operations of a clearing organisation and a maximum amount may be set for the liability of a clearing party. Confirmation of the competent Ministry shall be applied for the contract. Prior to the confirmation of the contract, the competent Ministry shall request a statement thereon from the Bank of Finland and the Financial Supervision Authority. If the operations of the organisation include the clearing of securities incorporated in the book-entry system, a statement of the Central Securities Depository shall also be requested, where necessary. A clearing party may compensate all or part of its commitment to the contract on the distribution of loss by taking out insurance or by placing a guarantee safeguarding the operations of the clearing organisation.

A clearing organisation shall continuously cover its liabilities arising from the clearing operations with collateral to be required from the clearing parties.

A clearing organisation shall have a clearing fund if, in the operations of a clearing organisation, obligations to deliver or to pay relating to trading in securities are netted in accordance with the Act on Certain Conditions of Securities and Currency Trading as well as Settlement Systems (1084/1999). The clearing fund may be used to cover the losses of the clearing organisation arising from clearing operations as well as to fulfil the obligation resulting from the clearing operations of the clearing organisation or a clearing party unless the clearing organisation or clearing party itself fulfils the obligation. Contributions shall be paid to the clearing fund by the clearing parties that participate in the netting. The management, rules, asset management as well as the refund of profit and assets shall be governed by the provisions of the Act on the Book-Entry System. The fund may be entered as a separate own-capital item in the balance sheet of the clearing organisation. Funds shall be transferred to the clearing fund as provided thereon in the Rules of the fund and the clearing organisation or, if the fund is entered in the balance sheet of the clearing organisation, in the Articles of Association of the clearing organisation. The general meeting of the clearing organisation may decide that a certain amount of the unrestricted own capital shown in the balance sheet shall be transferred to the clearing fund. The Rules of the clearing fund may also provide that the clearing parties shall be liable to pay contribution payments to the clearing fund. The clearing fund may be used to cover the losses arisen from the clearing operations. The funds of the clearing fund may be refunded to the clearing parties or used for the distribution of profits only by permission of the Financial Supervision Authority or in the event of the dissolution of the clearing fund. (15.9.2000/797)

The own funds of the clearing organisation, the contract on the distribution of loss, the clearing fund as well as the collateral deposited, insurance taken out and guarantees placed in favour of the clearing organisation shall be sufficient to ensure the reliability of the clearing operations.

Clearing party

Section 8 (8.5.1998/321)

A clearing organisation shall grant the rights of a clearing party to the State of Finland, the Bank of Finland, the stock exchange, an option exchange as well as to a securities intermediary

- 1) who has a permanent place of business in Finland;
- 2) who fulfils the requirements set on a clearing party in this Act, the provisions issued there under and the Rules of the clearing organisation;
- 3) who undertakes to comply with the Rules of the clearing organisation;
- 4) whose participation in the operations of the clearing organisation is not likely to endanger the reliability of these operations or of the other operations of the clearing organisation; and
- 5) whose share capital is at least five million euros. (15.9.2000/797)

A clearing organisation shall also grant the rights of a clearing party to a foreign securities intermediary who has been granted an authorisation corresponding to the authorisation required of a securities intermediary in Finland by an authority in the European Economic Area and who has no permanent place of business in Finland and who fulfils the requirements of subsection 1 (2)-(5). Under conditions laid down by the Ministry of Finance, the rights of a clearing party may be granted also to another Finnish or foreign organisation which fulfils the requirements of subsection 1 (2) - (5) and has adequate solvency and risk management. An organisation which does not act solely on its own account shall be governed, in addition by the conditions laid down by the Ministry of Finance, also by chapter 5, sections 6 and 7. The provisions of chapter 5, sections 5 and 5 a of this Act shall be applied also to a person having a relationship referred to in chapter 5, section 5, subsection 1 (1) - (3) to the organisation in question as well as to an organisation or foundation to which he has a relationship referred to in chapter 5, section 5, subsection 1 (5). The provisions of chapter 5, section 15 of this Act shall be applied to an organisation in question and to parties with the said relationship thereto. (26.10.2007/923)

The rights of a clearing party shall be revoked if the party no longer fulfils the requirements in accordance with this subsection or if the Financial Supervision Authority, in order to strengthen trust in the securities markets or for another especially weighty reason, so decides.

The clearing organisation shall notify the Financial Supervision Authority of its decision relating to the position of a clearing party. An organisation applying for the position of a clearing party as well as an organisation whose rights have been revoked shall have the right to refer the decision of the clearing organisation referred to in subsections 1, 2 and 3 to be reviewed by the Financial Supervision Authority within 30 days from the decision. The Financial Supervision Authority shall notify the clearing organisation of the referral of the issue to be reviewed by it.

The provisions of chapter 4, section 14 (1) on the duty of a securities intermediary to keep the client funds separate shall also apply to a clearing party. The provisions of chapter 4, section 6 (1) and (3) as well as of sections 12, 16 and 17 on the operations of a securities intermediary and the right of the Financial Supervision Authority to issue orders shall also apply to a clearing party. (26.10.2007/923)

In issuing the decision of the Ministry of Finance referred to in subsection 1, the provisions of section 17 of the Act on Investment Firms on an account to be submitted upon application for authorisation of an investment firm shall be taken into account, where applicable. The Ministry of Finance shall, prior to making the decision referred to in subsection 2, request a statement of the Financial Supervision Authority. (26.10.2007/923)

Safeguarding the position of a clearing party

Section 9 (8.5.1998/321)

A clearing organisation shall ensure that the clearing parties are not in danger of losing an executed performance without a counter-performance. A clearing organisation may not fulfil an obligation relating to a transaction or a transfer to a clearing party without ensuring that it has fulfilled its own obligations relating to the transaction or transfer.

In order to realise clearing operations, a clearing organisation may open, in its own name, a monetary account in the Bank of Finland, a foreign central bank, a deposit bank, a foreign credit institution or its branch so that performances by and to the clearing parties and their clients are accepted into and paid from the account. The funds in the account shall not belong to the clearing organisation and they shall be kept separate from the funds of the clearing organisation in the bookkeeping of the clearing organisation. The clearing organisation shall keep up-to-date books on those to whom the funds in the account belong. The Financial Supervision Authority may, in order to strengthen trust in the securities markets, issue further provisions to the clearing organisation on the keeping separate of the client funds in the accounts referred to in this subsection and opened by the clearing organisation as well as on the safeguarding of the position of a client in clearing.

Duty to ensure of a clearing party

Section 10 (8.5.1998/321)

A clearing party shall, by transfers of the custody of securities, by depositing the monetary funds of a client in the manner referred to in chapter 4, section 14, by a registration in accordance with section 9 or 16 of the Act on the Book-Entry Accounts or otherwise with due diligence ensure that the monetary obligations arising from a transaction or other conveyance or the delivery obligations of securities can be fulfilled in accordance with the rules of the clearing organisation. (26.10.2007/923)

If a securities transaction or another transfer lodged for clearing cannot be cleared in accordance with its terms or the Rules of the clearing organisation due to the fact that a clearing party has materially violated the obligations referred to in subsection 1 or its other obligations complying with another Act, the regulations by the authorities or the Rules of the clearing organisation so that the clearing of the transaction or transfer is delayed for this reason, the clearing party shall, on request, be liable to compensate the delay to the clearing party not guilty of the neglect or delay or, where a clearing organisation, in compliance with its Rules, assumes liability for the fulfilment of the transaction or transfer, to the clearing organisation as provided in the Rules of the clearing organisation. The provisions of chapter 9, section 2 shall also apply to the compensation.

The right of pledge of a clearing organisation and a clearing party

Section 11 (8.5.1998/321)

The clearing organisation shall, as collateral for the fulfilment of obligations confirmed in accordance with the Rules of the clearing organisation and relating to a securities transaction lodged for clearing by a clearing party, have the right of pledge to a book-entry registered as a result of a transaction in the commission account referred to in section 16 of the Act on Book-Entry Accounts and kept on behalf of the clearing organisation, a clearing party or a securities intermediary. A clearing organisation shall have the right of pledge if the clearing organisation has made a payment relating to the book entries or assumed liability therefore.

A clearing party shall have the right of pledge to a book entry of a client registered in a commission account kept on behalf of the party itself or on behalf of a securities intermediary representing the party as collateral for the fulfilment of the obligations arising from an order relating to the book entry in question if the clearing party has made a payment relating to the book entries.

If a right of pledge referred to in subsections 1 and 2 and a right in accordance with section 7, subsection 2 of the Act on Book-Entry Accounts pertain to the same book entries simultaneously, the holder of the right in accordance with subsection 1 shall receive performance of his claim before the holder of a right in accordance with subsection 2 or section 7, subsection 2 of the Act on Book-Entry Accounts. A clearing party with a right of pledge in accordance with subsection 2 shall receive performance of his claim before the holder of a right in accordance with section 7, subsection 2 of the Act on Book-Entry Accounts.

If an obligation pertaining to assets forming the object of a pledge and referred to in subsection 1 or 2 is neglected, the pledge holder may, in order to realise the clearing, convert the pledged assets into cash. If the pledge consists of a security subject to public trading, the security may be converted into cash in public trading. Legislative provisions restricting the rights of a pledge holder may also otherwise be deviated from in the conversion into cash if the deviation does not unreasonably endanger the interests of the pledge holder, the debtor or other creditors. The clearing party shall have the right to convert the pledge into cash also if a securities intermediary who does not act as a clearing party neglects to fulfil its obligations arising from the transaction to be cleared.

The provisions of this section on a book entry registered in a commission account shall correspondingly apply to a sold or purchased security lodged in the custody of a clearing organisation or a clearing party for the clearing of a securities transaction.

Right to issue orders

Section 12 (8.5.1998/321)

On decision by the Ministry of Finance, further orders may be issued on: (22.10.1999/970)

- 1) the contents of the application referred to in section 1a, subsection 1 and the accounts to be appended to the application especially on the risk monitoring and internal supervision of the clearing organisation; (22.10.1999/970)
- 2) the rules to be complied with in the safeguarding of clearing operations referred to in section 7 as well as on the covering of the risk of losses; as well as on
- 3) the requirements to be set on a clearing party in accordance with section 8.

CHAPTER 5 (13.5.2005/297)

Provisions on market abuse

Inside information

Section 1 (26.10.2007/923)

Inside information shall mean information of a precise nature relating to a security subject to public trading or to multilateral trading which has not been made public or which otherwise has not been available in the markets and which is likely to have a material effect on the value of the said security.

The provisions of subsection 1 shall also apply to a security:

- 1) which is subject to trading corresponding to public trading in another EEA Member State;
- 2) the admission to public trading or to trading corresponding thereto in another EEA Member State of which has been applied for; or
- 3) the value of which is determined on the basis of a security subject to public trading or to multilateral trading or on the basis of a security referred to in subsection 1 or 2.

Use of inside information

Section 2

Anyone who as an owner of a share subject to public trading or to multilateral trading of an issuer or by virtue of his position, function or task has learned inside information, may not use the information by acquiring or conveying, on his own behalf or on behalf of another, directly or indirectly, a security to which the information pertains nor give advice directly or indirectly to another in a transaction relating to such security. The provisions of this subsection shall also apply to a person who has learned inside information through a criminal act. (26.10.2007/923)

Inside information may not be disclosed to another unless the disclosure takes place as part of the ordinary performance of the work, profession or tasks of the person disclosing the information.

The provisions of subsections 1 and 2 shall also apply to a person who knew or should have known that the information he has learned is inside information.

The provisions of this section shall not restrict the right to acquire or convey outside multilateral trading a security which has not been admitted to public trading or to trading corresponding thereto in the European Economic Area or on a broker's list of multilateral trading. (26.10.2007/923)

The provisions of this section shall not restrict the right of a person to trade in securities if the acquisition or conveyance of securities is based on an agreement concluded before the person learned inside information on the security in question.

Publicity of a holding and information to be declared (26.10.2007/923)

Section 3 (26.10.2007/923)

The holding of shares and securities entitling to shares subject to public trading, other securities entitling to these securities as well as securities the value of which is determined on the basis of the said securities shall be public if the holder of the security is:

- 1) a member or deputy member of the Board of Directors or the Supervisory Board, the Managing Director or Deputy Managing Director of the Finnish company which has issued the share or an auditor, deputy auditor or an employee of an audit organisation with main responsibility for the audit of the accounts of the company;
- 2) another person belonging to the senior management of the Finnish company which has issued this share, who learns inside information regularly and who has the right to make decisions on the future development and the arrangement of business operations of the company;
- 3) the spouse of a person referred to in paragraph 1 or 2, a minor whose guardian the person referred to in paragraph 1 or 2 is or another family member of the person referred to in paragraph 1 or 2 who has lived in the same household with the person subject to the duty to declare referred to in section 4 for at least one year; or
- 4) an organisation or foundation in which a person referred to in this section either alone or together with the members of his family or with another person referred to in this section or with the members of the family of the said other person exercises control directly or indirectly.

The heading preceding section 4 in chapter 5 repealed by the Act of 26.10.2007/923.

Section 4

A holder of a security (*a person subject to the duty to declare*) having a relationship referred to in section 3 subsection 1 (1) and (2) of this chapter to a company which has issued a share subject to public trading shall, upon entering his function, declare to the company:

- 1) his spouse;
- 2) a minor, whose guardian he is, as well as another family member who has lived in the same household with him for at least one year;
- 3) an organisation or foundation referred to in section 3 (4);
- 4) an organisation or foundation in which he, his spouse or a family member who has lived in the same household for at least one year exercise remarkable influence;
- 5) shares and securities entitling to shares, other securities entitling to these securities as well as securities whose value is determined on the basis of the securities referred to above owned by him, his spouse, the person referred to in paragraph 2 as well as by an organisation or foundation referred to in paragraph 3;

(26.10.2007/923)

A person subject to the duty to declare shall, while in his function, within seven days, declare to the company:

- 1) acquisitions and conveyances of securities referred to in subsection 1 (5) when the change in the holding is at least EUR 5,000 as well as
- 2) other changes in the information referred to in this section.

(26.10.2007/923)

The total amount of the transactions and conveyances concluded in securities referred to in subsection 1 (5) during a calendar year shall be declared to the company at the latest on the 31 of January of the following calendar year even if it were less than EUR 5,000. (26.10.2007/923)

The subsidiaries of a company that has issued the share subject to public trading referred to in subsection 1 need not be declared. Nor shall the duty to declare apply to housing companies, real-estate companies referred to in section 2 of the Housing Companies Act (809/1991) or to non-profit associations or financial associations. If an association referred to in the second sentence trades in securities on a regular basis, information relating thereto shall, however, also be declared. (26.10.2007/923)

An auditor, a deputy auditor and the employee of an audit organisation with main responsibility for the audit of the accounts of a Finnish company whose share is admitted to public trading shall not be liable to declare organisations, in which his remarkable influence is based on the accounting assignment.

The declaration shall contain the information necessary to individualise the person or organisation or foundation in question as well as information relating to the securities.

A person shall have remarkable influence in an organisation or foundation if he holds a position referred to in section 3, subsection 1, paragraphs 1 or 2 or a corresponding position therein or if he is a partner of a general partnership or a general partner of a limited partnership.

Section 5 (26.10.2007/923)

The holding of shares and securities entitling to shares subject to public trading, other securities entitling to these securities as well as securities the value of which is determined on the basis of the said securities shall be public if the holder of the security is:

- 1) a member or deputy member of the Board of Directors or the Supervisory Board, the Managing Director or Deputy Managing Director of a central securities depository, a stock exchange or a securities intermediary or an auditor, deputy auditor or an employee of an audit organisation with main responsibility for the audit of the accounts of the company;
- 2) a broker, a person employed by the securities intermediary whose duties include investment research relating to such securities or another employee who, by virtue of his position or tasks, learns inside information relating to these securities on a regular basis;

- 3) another employee of a central securities depository or a stock exchange who, by virtue of his position or tasks, learns inside information relating to these securities on a regular basis;
- 4) a minor, whose guardian the person referred to in paragraph 1, 2 or 3 is; or
- 5) an organisation or foundation in which the person referred to in this section directly or indirectly exercises influence.

The holdings of a member and deputy member of the Supervisory Board of a credit institution, a deputy member of the Board of Directors as well as of an auditor, deputy auditor or an employee of an audit organisation with main responsibility for the audit of a credit institution shall be public only if he has access to inside information relating to such securities on a regular basis.

Provisions on the publicity of holdings of securities of the employees of the Financial Supervision Authority are laid down in the Act on the Financial Supervision Authority (587/2003). The publicity of holdings of securities of the employees of the Bank of Finland shall be prescribed separately.

Section 5 a (26.10.2007/923)

A holder of a security having a relationship referred to in section 5, subsection 1 (1) or (3) of this chapter to a central securities depository or to a stock exchange as well as a holder of a security having a relationship referred to in section 5, subsection 1 (1) or (2) to a securities intermediary (*a person subject to the duty to declare*) shall, upon entering his function, within 14 days, declare to the central securities depository, the stock exchange or the securities intermediary;

- 1) a minor under his guardianship;
- 2) an organisation or foundation referred to in section 5, subsection 1 (5);
- 3) shares subject to public trading and securities entitling to these shares, other securities entitling to these securities as well as securities whose value is determined on the basis of the securities referred to above owned by him, the person referred to in paragraph 1 as well as by an organisation or foundation referred to in paragraph 2.

A person subject to the duty to declare referred to in subsection 1 shall, while performing his duties, within seven days, declare to the company:

- 1) acquisitions and conveyances of securities referred to in subsection 1 (3) when the change in holding is at least EUR 5,000 as well as
- 2) other changes in the information referred to in this section.

The subsidiaries of a company that has issued the share subject to public trading referred to in subsection 1 need not be declared. The duty to declare shall neither apply to housing companies, real-estate companies referred to in section 2 of the Housing Companies Act nor to non-profit associations or financial associations. If an association referred to in the second sentence trades in securities on a regular basis, information relating thereto shall, however, also be declared.

The declaration shall contain the information necessary to individualise the person or organisation or foundation in question as well as information relating to the securities.

Securities incorporated in the book-entry system

Section 6 (26.10.2007/923)

If the securities referred to in sections 4 or 5 a have been incorporated in the book-entry system, the recipient of declarations may arrange a procedure for obtaining the information from the book-entry system. In that case, no separate declarations need be submitted.

Public register of insider holdings

Section 7 (26.10.2007/923)

The recipient of declarations referred to in section 4 shall maintain a register showing, for each person subject to the duty to declare, any securities owned by him, his spouse, a minor whose guardian he is, another person living permanently in the same household and an organisation and foundation referred to in section 3 (4) as well as, itemized, transactions and other conveyances (*insider register*). The register shall correspondingly, with regard to each person subject to the duty to declare, contain information on the persons, organisations and foundations referred to in section 4.

The recipient of declarations referred to in section 5 a shall maintain a register showing, for each person subject to the duty to declare, any securities owned by him, a minor under his guardianship and an organisation and foundation referred to in section 5, subsection 1 (5) as well as, itemized, transactions and other conveyances (*insider register*). The register shall correspondingly, with regard to each person subject to the duty to declare, contain information on the persons, organisations and foundations referred to in section 5 a.

If the declarations are submitted in accordance with section 6, the register may, for that part, be construed of the information available from the book-entry system.

The information in the insider register shall be entered so that it cannot be altered or removed afterwards. The maintenance of the register shall be arranged so that only those entitled to maintain the register may alter the information. An entry shall be made in the register without undue delay. Information entered in the insider register shall be kept at least five years from the making of the entry.

Anyone shall have the right to access to the insider registers without difficulty and, by paying the costs incurred, to obtain extracts and copies thereof. The personal identity number and address of a natural person as well as the name of a natural person other than the person subject to the duty to declare shall, however, not be public. The company which has issued a share subject to public trading shall also keep the information contained in the insider register available to the public on its homepages through an electronic communications network. Any changes taken place in the holding of securities shall be kept available on the homepages through an electronic communications network for a period of 12 month from the change. The information shall be up-dated without undue delay when a person subject to the duty to declare notifies of a change in the information.

Company-specific insider register

Section 8

An issuer of a security subject to public trading shall also maintain an insider register of the persons in its employment who, by virtue of their positions or tasks, learn inside information on a regular basis as well as of other persons who, by virtue of their employment or other contract, perform work thereto and learn inside information (*company-specific inside information*).

The company-specific inside information shall also contain information on the persons belonging to the administrative bodies of the issuer who learn inside information.

The provisions of this section on the duty of the issuer to maintain a company-specific insider register shall also apply to a party acting on behalf or for the benefit of the issuer.

A company-specific insider register shall not be public. The information on a person employed by the issuer who, by virtue of his position or tasks, learns inside information on a regular basis may, however, be made public with the consent of the said person.

Section 9

The following information shall be entered in the company-specific insider register:

- 1) the date of founding of the register;
- 2) the necessary identification information of a person;
- 3) the grounds on which the person is entered in the register;
- 4) the time at which the person has been given or he has learned inside information;
- 5) the time at which the grounds to maintain a company-specific insider register lapsed.

A company-specific insider register shall be up-dated whenever

- 1) the grounds for entering a person in the register change;
- 2) a new person is entered in the register;
- 3) a person entered in the register no longer learns inside information.

Section 10

The information in the company-specific insider register shall be entered so that it cannot be altered or removed afterwards. The maintenance of the register shall be arranged so that only those entitled to maintain a register may alter the information. An entry in the register shall be made without undue delay.

The person entered in the company-specific insider register shall be notified in writing or otherwise in a verifiable manner of his entry in the register and of his liabilities arising thereof.

The information entered in the company-specific insider register shall be kept for at least five years after the grounds for entering information in the register have lapsed.

Section 11

An issuer may divide the company-specific insider register into sub-registers so that the persons subject to the grounds of the same set duration are entered in the same sub-register. If a company-specific insider register is divided, the provisions of sections 8-10 on a company-specific insider register shall be applied separately to each sub-register.

Market price distortion

Section 12 (26.10.2007/923)

The market price of a security subject to public trading or multilateral trading may not be distorted.

Market price distortion shall mean:

- 1) a misleading offer to purchase or sell, a fictitious transaction and another deceptive actions relating to a security subject to public trading or multilateral trading;
- 2) business transactions or other actions which give false or misleading information on the supply of, demand for and price of a security subject to public trading or multilateral trading;
- 3) transactions or other actions by which a person or persons acting in collaboration secure the price of securities subject to public trading or multilateral trading at an abnormal or artificial level; and
- 4) publishing or other dissemination of false or misleading information on a security subject to public trading or multilateral trading, where the person who published or disseminated the information knew, or should have known, that the information was false or misleading.

The provisions of subsection 2 (4) shall not apply to the originator of a message provided to the public referred to in the Act on the Exercise of Freedom of Expression in Mass Media who is committed to

comply with the rules which are drawn up for the professionals of the organisation representing the persons providing messages in publishing and broadcasting or by the publisher or the broadcaster and the effects of which correspond to those of the Market Abuse Directive and the provisions issued thereunder by the European Commission. The said paragraph shall, however, be applied if the originator of the message derives a specific advantage or profit from the publishing or dissemination.

In the cases referred to in subsection 2 (2) and (3), the transaction or other action shall not constitute a market price distortion if it has legitimate grounds and if it conforms to the market practices approved by the Financial Supervision Authority for the public trading or multilateral trading in question.

A securities intermediary who carries out trading on his own account as an investment service in a security, referred to in chapter 1, section 2 (1) (2), it has issued, may conclude a contract on such operations with an intention to influence the price level of the security.

Restrictive provision

Section 13

The provisions of this chapter on the use of inside information or market price distortion shall not apply to trading in securities where

- 1) the issuer acquires its own shares in accordance with the regulations issued by the European Commission under Article 8 of the Market Abuse Directive;
- 2) an investment firm or a credit institution stabilises the price of securities in accordance with the regulations issued by the European Commission under Article 8 of the Market Abuse Directive.

Securities applied to be admitted to public trading

Section 14

The provisions of this chapter on a security subject to public trading and its issuer shall apply to a security applied to be admitted to public trading and its issuer.

Further provisions

Section 15

Under the Market Abuse Directive, the Financial Supervision Authority may issue the further provisions on the application of the provisions of this chapter necessary to enforce the provisions issued by the European Commission. The Financial Supervision Authority may also issue further regulations on the contents and manner of submission of the declaration referred to in section 4, the procedure referred to in sections 6 and 7, subsection 2 as well as on the contents of and the manner of making the entries in the register referred to in section 9.

CHAPTER 6 (8.6.2006/442)

Takeover bid and the obligation to launch a bid

Takeover bid

Section 1 (8.6.2006/442)

The provisions of this chapter shall be applied when launching an offer to acquire the shares subject to public trading voluntarily (*voluntary bid*) or mandatorily in accordance with section 10. The provisions of this chapter shall also be applied to bids for other securities entitling to shares if:

- 1) the shares are subject to public trading and the issuer of the securities entitling thereto is the same as of these shares; or if

2) the shares entitling to a security are subject to public trading and their issuer is the same as of these shares.

Equivalent treatment

Section 2 (8.6.2006/442)

An offeror launching a takeover bid shall afford equivalent treatment to all holders of the securities of the offeree company referred to in section 1 (*equivalent treatment*).

Publication and communication of the bid

Section 3 (8.6.2006/442)

The decision to make a takeover bid shall be made public without delay as well as communicated to the company that has issued the securities subject to the bid (*offeree company*), the party in charge of the public trading in question and the Financial Supervision Authority.

After the decision is made public, it shall, without delay, be communicated to the representatives of the employees or, where there are no such representatives, to the employees in the offeree company and the offeror company.

The information made public referred to in subsection 1 shall indicate the volume of the securities subject to the bid, the time allowed for the acceptance of the bid and the consideration offered as well as any other terms of material importance to the implementation of the bid. The information made public shall also indicate the procedure to be applied if acceptances cover a greater volume of securities than that subject to the bid.

Prior to making information referred to in subsection 1 public, the offeror shall ensure that it can fulfil in full any cash consideration, if such is offered, and take all reasonable measures that may be required to secure the implementation of any other type of consideration.

The offer document

Section 4 (8.6.2006/442)

Prior to the entry into force of the bid, the offeror shall make public and make available to the public, during the time allowed for acceptance, an offer document, which shall contain essential and sufficient information for deciding on the merits of the bid, as well as communicate it to the offeree company and the party in charge of the public trading in question.

The offer document may be published after the Financial Supervision Authority has approved it. The Financial Supervision Authority shall, within five banking days from the communication of the document for its approval, decide whether the document may be made public. The offer document may be communicated to the Financial Supervision Authority for approval after the decision on the bid has been published in accordance with section 3. The offer document shall be approved if it fulfils the criteria set in subsection 1.

When the offer document is made public, the offeree company shall communicate it to the representative of the employees or, where there is no such representative, to the employees themselves.

The contents and making public of the offer document shall be provided for by a Decree of the Ministry of Finance.

The Financial Supervision Authority shall recognise as an offer document a prospectus prepared of the securities subject to the bid which is approved by a competent authority in a State belonging to the

European Economic Area and which fulfils the criteria set for an offer document. The recognition procedure and the translation of such offer document into Finnish or Swedish as well as the additional information to be included therein shall be provided for by a Decree of the Ministry of Finance.

A fault or omission in the offer document which is discovered before the closing of the bid and which may be of material importance to the investor shall, without delay, be communicated to the public by making a correction or supplement public in the same manner as the offer document. The Financial Supervision Authority may, in connection with the approval of the supplement to the offer document, require that the time allowed for acceptance be extended with at most ten banking days so that the holders of the securities subject to the bid may reconsider the offer.

Time allowed for acceptance

Section 5 (8.6.2006/442)

The time allowed for the acceptance of a bid may not be less than three nor more than ten weeks. The time allowed for the acceptance of a bid may, for a special reason, be more than ten weeks provided that the business operations of the offeree company are not hampered for an unreasonably long period of time. A notice of the closing of the bid shall in that case be given at least two weeks prior to the close of the bid.

The Financial Supervision Authority may, upon an application by the offeree company and, where necessary, without hearing the offeror, order that the time allowed for the acceptance of the takeover bid be extended so that the offeree company can convene the General Meeting of the Shareholders to consider the bid. The offeror shall have the right, due to the extension, to waive the bid within five banking days from being informed of the decision of the Financial Supervision Authority.

Opinion of the offeree company of the takeover bid

Section 6 (8.6.2006/442)

The Board of Directors of the offeree company shall make its opinion of the bid public and communicate it to the offeror and the Financial Supervision Authority. The opinion shall be made public and communicated as soon as possible after the offer document has been communicated to the offeree company in accordance with section 4, however, at the latest five banking days prior to the earliest possible close of the time allowed for the acceptance of the bid.

The opinion referred to in subsection 1 shall set out a well-founded assessment on:

- 1) the bid from the perspective of the offeree company and the holders of the securities subject to the bid; and on
- 2) the strategic plans of the offeror presented in the offer document and on their likely effects on the operations and employment of the offeror.

The offeree company shall, when making it public, communicate the opinion referred to in subsection 1 to the representatives of the employees of the company or, where there are no such representatives, to the employees themselves.

If, prior to making the opinion referred to in subsection 1 public, the offeree company obtains a separate opinion on the effects of the implementation of the bid on employment from the representatives of the employees, this opinion shall be appended to the document.

Revision of the terms

Section 7 (8.6.2006/442)

If the offeror has revised the terms of the bid, the provisions of section 3 on the making the bid public and on communicating it and section 4 (6) on supplementing the offer document shall be applied to the revised terms. The Board of Directors of the offeree company shall supplement its opinion on the bid referred to in section 6 as soon as possible after the revised terms have been communicated to the Board of Directors, however, at the latest five banking days prior to the earliest possible close of the revised bid.

Competing bid

Section 8 (8.6.2006/442)

If, during the offer period, another bid for the securities subject to the takeover bid is made public (*a competing bid*), the first offeror may extend its bid to correspond to the competing bid irrespective of the maximum period of time laid down in section 5 (1). At the same time, the first offeror may also revise the terms of its bid in accordance with section 7. The decision on the extension of time allowed for acceptance and the revision of terms shall be made public as well as communicated to the offeree company, the party in charge of the public trading in question and the Financial Supervision Authority as well as, in the offeree company and in the undertaking that has made the bid, to the representatives of the employees or, where there are no such representatives, to the employees themselves. The provisions of section 4 (6) on supplementing an offer document shall be applied to making the decision public. The Board of Directors of the offeree company shall supplement its opinion on the bid referred to in section 6 as soon as possible after the competing bid has been made public, however, at the latest five banking days prior to the earliest possible close of the first bid.

A party who has accepted the first bid may, after the competing bid has been made public, revoke its acceptance during the time allowed for the acceptance of the first bid.

If a competing bid has been made, the first offeror may, during the offer period and prior to the close of the bid, decide on the lapsing of its bid. The decision on the lapsing shall be made public as well as communicated to the offeree company, the party in charge of the public trading in question and the Financial Supervision Authority as well as, in the offeree company and in the undertaking that has made the bid, to the representatives of the employees or, where there are no such representatives, to the employees themselves.

Result of the bid

Section 9 (8.6.2006/442)

After the close of the offer period, the offeror shall, without delay, make public the portion of ownership and voting rights that he may acquire in the offeree company by acquiring the securities offered for sale subject to the bid and taking into account any securities he has otherwise acquired and previously held. If the bid has been conditional, it shall simultaneously be notified whether the offeror shall implement the bid. The notification shall without delay be communicated also to the offeree company, the party in charge of the public trading in question and the Financial Supervision Authority.

The management of the offeree company shall communicate the notification referred to in subsection 1 also to the representatives of the employees of the company or, where there are no such representatives, to the employees themselves.

The obligation to launch a takeover bid

Section 10 (8.6.2006/442)

A shareholder whose portion exceeds three-tenths of the voting rights carried by the shares of a company after the share of the company has been admitted to public trading (*a party under the obligation to launch a bid*) shall launch a takeover bid for all the remaining shares and securities entitling to its shares issued by the company (*mandatory bid*). A mandatory bid shall be launched also if the portion of the shareholder, as a result of other than a mandatory bid, exceeds one half of the voting rights carried by the shares of the company after the share of the company has been admitted to public trading.

The portion of voting rights of the shareholder referred to in subsection 1 shall include:

- 1) the shares held by the shareholder and by organisations and foundations controlled by him as well as shares held by their pension foundations and pension funds;
- 2) the shares held by the shareholder or other organisation or foundation referred to in subsection 1 together with another; as well as
- 3) the shares held by other natural persons, organisations and foundations that act in concert with the shareholder to exercise control in the company.

In calculating the portion of voting rights referred to in subsection 1, a restriction on voting based on the law or the Articles of Association or on another contract shall not be taken into account. Votes carried by shares held by the company itself or by an organisation or foundation controlled by it shall not be taken into account in calculating the total number of votes of a company.

The question which of the persons, organisations or foundations referred to in subsection 2 shall be under the obligation to launch a bid shall, in unclear cases, be decided by the Financial Supervision Authority.

If the securities resulting in the threshold referred to in subsection 1 being exceeded have been acquired through a takeover bid made for all shares issued by the offeree company and for securities entitling to its shares issued by the offeree company, the obligation to launch a mandatory bid shall, however, not arise. If the securities resulting in the threshold referred to in subsection 1 being exceeded have otherwise been acquired through a takeover bid, the obligation to launch a bid shall not arise prior to the close of time allowed for the acceptance of the bid.

If there is one shareholder in the offeree company whose portion of voting rights exceeds the portion of voting rights referred to in subsection 1, the obligation to launch a bid in accordance with subsection 1 shall not arise to another shareholder until his portion of voting rights exceeds the portion of voting rights of the first-mentioned shareholder.

If the exceeding of the portion of voting rights of the shareholder referred to in subsection 1 results solely from measures taken by the offeree company or by another shareholder, the obligation to launch a bid in accordance with subsection 1 shall not arise to the first-mentioned shareholder before he acquires or subscribes to more shares of the offeree company or otherwise raises his portion of voting rights in the offeree company.

Consideration in a mandatory bid

Section 11 (8.6.2006/442)

With regard to a mandatory bid, the consideration shall be an equitable price. A consideration in the form of securities or a consideration in the form of a combination of securities and cash may be offered as an alternative to a cash consideration.

In determining an equitable price, the starting point shall be the highest price for the shares subject to the bid paid during the six months preceding the arising of the obligation to launch a bid by the party under the obligation to launch a bid or by a person, organisation or foundation in a relationship referred to in section 10, subsection 2, to him. Such price may be derogated from for a special reason.

If the party under the obligation to launch a bid or a person, organisation or foundation in a relationship referred to in section 10, subsection 2, to him has not, within the six months preceding the arising of the obligation to launch a bid, acquired securities subject to the bid, the starting point for determining an equitable price shall be the average of the prices paid for the securities subject to the bid in public trading during the three months preceding the arising of the obligation to launch a bid weighted with trading volumes. Such price may be derogated from for a special reason.

The party under the obligation to launch a bid and a person, organisation or foundation in a relationship referred to in section 10, subsection 2, to him shall notify the Financial Supervision Authority of the shares in the offeree company and the securities issued by the offeree company entitling to its shares he has acquired during the 12 months preceding the arising of the obligation to launch a bid as well as between the arising of the obligation to launch a bid and the close of the bid and the consideration paid therefor .

Consideration in a voluntary bid

Section 12 (8.6.2006/442)

In a voluntary bid, the consideration may be paid in cash or in securities or as a combination thereof.

The offering of a cash consideration at least as an alternative is required when a voluntary bid is launched for all the shares and securities entitling to shares issued by the offeree company and if:

- 1) the securities offered as a consideration are not subject to public trading or a trading corresponding thereto in a State belonging to the European Economic Area and they are not applied to be admitted to such trading in connection with the bid; or if
- 2) the offeror or a person, organisation or foundation in a relationship referred to in section 10, subsection 2, to him has acquired or will acquire, against a cash consideration, securities of the offeree company entitling to at least five-one-hundredths of the voting rights of the offeree company within a period of time which begins six months prior to the making public of the bid and ends at the close of the time allowed for the acceptance of the bid.

If a voluntary bid is launched for all the shares and all the securities entitling to shares of the offeree company and issued by it, the starting point in determining the consideration shall be the highest price paid for the securities subject to the bid within the six months preceding the making public of the bid by the offeror or by a person, organisation or foundation in a relationship referred to in section 10, subsection 2, to him. Such price may be derogated from for a special reason. The provisions of section 11, subsection 4, on the submission of information to the Financial Supervision Authority shall be applied to such bids.

Acquisitions during and after the offer period

Section 13 (8.6.2006/442)

If the party launching a takeover bid or a person, organisation or foundation in a relationship referred to in section 10, subsection 2, to him, after the making public of a voluntary bid or the arising of the obligation to bid and prior to the close of the offer period, acquires shares in the offeree company on terms that are more favourable than those of the bid, the offeror shall change his bid to correspond to this acquisition on more favourable terms (*obligation to raise*).

If the party launching the takeover bid or a person, organisation or foundation in a relationship referred to in section 10, subsection 2, to him, within nine months from the close of the offer period, acquires securities of the offeree company on terms that are more favourable than those of the bid, the holders of securities who have accepted the takeover bid shall be compensated for the difference between the acquisition on more favourable terms and the consideration offered in the takeover bid (*obligation to compensate*).

If the obligation to bid in accordance with section 10 has arisen in a voluntary bid, the holders of securities who have accepted the voluntary bid shall, in applying subsections 1 and 2, be deemed comparable to the holders of securities who have accepted a mandatory bid.

The party launching a takeover bid shall, without delay, make public the arising of the obligation to raise or to compensate. The raise referred to in subsection 1 shall, without delay, be paid to the holders of securities who have accepted the bid. The compensation referred to in subsection 2 shall be paid to the holders of securities who have accepted the bid within one month from the arising of the obligation to compensate.

The provisions of this section shall not be applied to the higher price ordered payable for a security of the offeree company on the basis of arbitration based on the Limited Companies Act if the offeror or a person, organisation or foundation in a relationship referred to in section 10, subsection 2, to him has not offered to acquire securities of the offeree company on terms that are more favourable than those of the bid before or during the arbitration proceedings.

Procedure in a mandatory bid

Section 14 (8.6.2006/442)

The party under the obligation to bid shall, without delay, make public the arising of the obligation to bid. The information shall simultaneously be communicated to the offeree company, the party in charge of the public trading in question and the Financial Supervision Authority as well as, in the offeree company and in the undertaking that has launched the bid, to the representatives of the employees or, where there are no such representatives, to the employees themselves.

The party under the obligation to bid shall make the bid public within one month from the arising of the obligation to bid. The takeover bid procedure shall be started within one month from the making the bid public.

Granting of exemptions

Section 15 (8.6.2006/442)

The Financial Supervision Authority may, for a special reason, grant an exemption from the obligations provided for in this chapter.

The Financial Supervision Authority may grant an exemption from the application of the provisions of this chapter if the competent Member State in accordance with the corporate -law registered office of the offeree company is other than Finland. An exemption may be granted also if the position of the holders of the securities in the offeree company is subject to cover under provisions corresponding to the provisions of this chapter in another State.

Restrictive provision

Section 16 (8.6.2006/442)

If the corporate-law registered office of the offeree company is in a State belonging to the European Economic Area other than Finland, the portion of voting rights resulting from the arising of the obliga-

tion to bid referred to in section 10 as well as the exemptions from the obligation to compensate shall be determined in accordance with the provisions of that State.

The provisions of sections 11 - 14 shall not be applied to takeover bids where the corporate-law registered office of the offeree company is in a State belonging to the European Economic Area other than in Finland if the competent Member State in accordance with the corporate-law registered office of the offeree company is other than Finland.

The Takeover Committee of the Central Chamber of Commerce in Finland
Section 17 (8.6.2006/442)

The Takeover Committee of the Central Chamber of Commerce in Finland shall issue recommendations and opinions to promote compliance with good securities-markets practice, which shall relate to the actions of the management of the offeree company regarding a takeover bid and the contractual structures relating to the maintenance of control or which shall provide direction for the corporate-law procedures to be complied with in company acquisition situations. The Committee shall request a statement of the Financial Supervision Authority on the recommendations prior to their issue. The recommendations may also be included as part of the Rules of the Stock Exchange. The Committee may also, on application, issue recommendations for resolutions regarding individual issues relating to the recommendations.

The Takeover Committee of the Central Chamber of Commerce in Finland shall comprise a chairman and two vice chairmen as well as eight other members. With the exception of the chairman and the vice chairmen, each of the members shall have a personal deputy. The Central Chamber of Commerce shall elect the chairman, vice chairmen and the other members of the Committee for three years at a time so that of the other members:

- 1) two shall represent expertise in limited company and securities markets legislation as well as in financial markets;
- 2) three shall be appointed on proposal of registered organisations representing the issuers of securities; and
- 3) two shall be appointed on proposal of registered organisations representing investors.

The Takeover Committee of the Central Chamber of Commerce in Finland shall have a quorum when the chairman or vice chairman, or in case they are both prevented, a member elected as a temporary chairman, as well as at least four other members are present. The decisions of the Committee shall be carried by simple majority. In the case of a tie, the Chairman shall have the casting vote. The public liability of a member and official of the Committee as well as the handling of matters in the Committee shall otherwise be governed by the provisions of section 6, subsection 1 of the Act on the Central Chamber of Commerce (878/2002). The Central Chamber of Commerce shall be liable for the costs of the Takeover Committee and confirm the grounds for the fees of the Chairman, vice chairmen and the members of the Committee. The Central Chamber of Commerce shall have the right to collect a fee for the arrangement of the operations of the Committee. The fees shall, at their highest, correspond to the costs arising from the arrangement of the operations of the Committee.

CHAPTER 7
Supervision of the securities markets

Supervising authority (9.8.1993/740)
Section 1

Compliance with this Act and the provisions and orders issued thereunder as well as with the rules confirmed shall be supervised by the Financial Supervision Authority (26.10.2007/923)

Subsections 2-4 repealed by the Act of 27.6.2003/600.

If the Financial Supervision Authority notes that the marketing of securities has taken place in a manner that can be assumed to violate the Consumer Protection Act (38/1978), it shall notify the Consumer Ombudsman thereof. Before the Financial Supervision Authority refers a matter like this to the Market Court it shall request a statement of the Consumer Ombudsman thereon. (28.12.2001/1536)

The Financial Supervision Authority shall not supervise the trading operated by the Bank of Finland for the administration of its duties relating to monetary policy. (26.7.1996/581)

Regulation of marketing, offering and public trading as well as contract terms of securities
(23.6.2005/448)

Section 1 a (26.10.2007/923)

The Financial Supervision Authority may order that the offering to the public or the admission to public trading of securities be postponed by at most 10 consecutive banking days at a time. The postponement may be ordered if the Financial Supervision Authority has reasonable grounds to suspect that the offeror of the securities or the applicant for admission to public trading thereof or the party who, under an order, attends to the offer or the application for admission to public trading, acts in violation of the provisions of chapter 2 on the offering to the public or of chapter 3 on the admission to public trading.

The Financial Supervision Authority may order the stock exchange or the organiser of multilateral trading to interrupt trading in a security at most for ten consecutive banking days at a time. An interruption may be ordered if the Financial Supervision Authority has reasonable grounds to suspect that the trading or the duty of disclosure is carried out in violation of the Act or the provisions or regulations issued thereunder or the rules of public trading or multilateral trading.

Section 1 b (23.6.2005/448)

Prior to making a decision or issuing an order referred to in section 1 a, the Financial Supervision Authority shall reserve the party of the decision a possibility to be heard unless otherwise required by the urgency of the matter or by another special reason.

Section 1 c (23.6.2005/448)

The Financial Supervision Authority may issue the decision referred to in section 1 a subject to a conditional imposition of a fine. The conditional fine shall be ordered payable by the Financial Supervision Authority.

Section 2

Anyone who markets or acquires securities as a business may be prohibited from continuing or repeating a procedure in violation of chapter 2. A stock exchange or an organiser of multilateral trading may be prohibited from organising trading in a security admitted or applied to be admitted thereto if the trading, the related duty of disclosure of the issuer of the security or the duty of disclosure relating to the admission to trading have been carried out materially in violation of this Act or the provisions or regulations issued thereunder or the rules of public trading or multilateral trading. A securities intermediary may be prohibited from continuing the use of a contract term in violation of chapter 4, section 1 or 2 or from repeating the use of the said or a corresponding contract term. The prohibition shall be issued subject to a conditional imposition of a fine unless this is unnecessary for a special reason. (26.10.2007/923)

A prohibition referred to in subsection 1 shall be issued by the Market Court. The Market Court may also issue an interim prohibition, in which case the prohibition shall be in force until the matter has been finally decided. (28.12.2001/1536)

Upon issuing a prohibition referred to in subsection 1, the Market Court may order that procedure contrary to chapter 2 be remedied if this is deemed necessary due to evident harm caused to investors. The order may be issued subject to the conditional imposition of a fine. (23.6.2005/448)

The provisions of this section above shall also apply to anyone who, in violation of chapter 3, section 2, uses a registered trade name if the use thereof is likely to mislead the public. (26.19.2007/923)

Section 2 a (26.10.2007/923)

The Financial Supervision Authority shall publish and inform the competent authorities comparable to the Financial Supervision Authority of the other EEA Member States of the decision to interrupt trading referred to in section 1 a (2) of this chapter and the decision of the Market Court to prohibit trading in a security referred to in section 2 (1) of this chapter.

Confidentiality (9.8.1993/740)

Section 3 (13.5.2005/297)

No one who in performing the functions referred to in this Act or as a member or deputy member of a body or a functionary of a stock exchange, a securities intermediary, a clearing organisation, a clearing party or an organisation referred to in chapter 4 a, section 5, subsection 2 has learned an unpublished fact of the issuer of a security or of the financial status or private circumstance of another or a business or trade secret may reveal or otherwise disclose it or make use thereof unless the disclosure is stipulated by law or otherwise in due order or unless the party in whose favour the confidentiality exists, consents to the disclosure.

Notwithstanding the provisions of subsection 1, a member or a deputy member of a body or a functionary of a stock exchange may disclose a fact referred to in the provision to a person who is employed by or a member of a body of an organisation organising trading corresponding to public trading in another State and subject to supervision by the authorities if the disclosure of the fact is necessary in order to safeguard the efficient supervision of the securities markets. A further precondition shall be that the person is subject to a confidentiality obligation corresponding to subsection 1.

The right of the Financial Supervision Authority to give information to a foreign authority supervising the securities markets shall be governed by provisions of the Act on the Financial Supervision Authority.

CHAPTER 8

Provisions on punishments

Abuse of inside information and market price distortion (13.5.2005/297)

Section 1 (13.5.2005/297)

Punishment for abuse of inside information wilfully or through gross negligence in order to gain a material benefit is governed in chapter 51, sections 1 and 2 of the Penal Code.

Punishment for market price distortion in order to gain a material benefit is governed by chapter 51, sections 3 and 4 of the Penal Code.

Unauthorised arrangement of a trading procedure in securities (28.12.2001/1517)**Section 2 (26.10.2007/923)**

Anyone who wilfully or through gross negligence arranges public trading in securities in violation of chapter 3, section 1 or 12 or multilateral trading in violation of chapter 3 a, section 1 shall, unless the act is minor or subject to a more severe punishment elsewhere in the law, be sentenced for *unauthorised organisation of trading procedure in securities* to a fine or to imprisonment not exceeding one year.

Unlawful operation of a clearing organisation (8.5.1998/321)**Section 2 a (8.5.1998/321)**

Anyone who wilfully or through gross negligence carries out the operations of a clearing organisation in violation of chapter 4 a, section 1 shall, unless the act is minor or subject to a more severe punishment elsewhere in the law, be sentenced for *unlawful operation of a clearing organisation* to a fine or to imprisonment not exceeding one year.

Securities-market offence (9.9.1993/740)**Section 3 (26.10.2007/923)**

Anyone who wilfully or through negligence violates the provisions of chapter 3, section 36 or chapter 3 a, section 10 shall, unless the act is minor or subject to a more severe punishment elsewhere in the law, be sentenced for a *securities-market offence* to a fine.

Breach of a secrecy obligation relating to the securities markets**Section 4 (21.4.1995/605)**

Punishment for a breach of the secrecy obligation laid down in chapter 7, section 3 shall be governed by chapter 38, sections 1 and 2 of the Penal Code unless the act is subject to a more severe punishment elsewhere in the law.

Section 5 repealed by the Act of 21.4.1995/605.

Section 6 repealed by the Act of 26.10.2001/893.

CHAPTER 9**Other sanctions**

Section 1 repealed by the Act of 10.7.1998/522.

Damages**Section 2**

Anyone who causes damage through procedure that is against this Act or against provisions issued thereunder shall be liable to compensate the damage he has caused.

Adjustment and allocation of the damages among two or more parties liable therein shall be governed by the provision of chapters 2 and 6 of the Damages Act (412/1974).

CHAPTER 10

Miscellaneous provisions

Derivatives contracts (22.10.1999/970)

Section 1 (26.10.2007/923)

Chapter 1, section 4 a, chapter 2, section 1, chapter 4 sections 1 - 7, 9 and 12 - 18, chapter 5, sections 1, 2 and 12 - 15, chapter 7, section 2 and chapter 8, section 1 shall also be apply to standardized options and futures in accordance with the Act on Trade in Standardized Options and Futures.

Chapter 5, sections 3 - 5, 5 a and 6, section 7 (1) (2) (4) and (5) as well as sections 8-11 shall also apply to a standardized option and future in accordance with the Act on Trade in Standardized Options and Futures, the underlying of which is a share subject to public trading or a security entitling to a share in accordance with the Limited-Liability Companies Act. Chapter 5, sections 8 - 11 of this Act shall also apply to a standardized option and future in accordance with the Act on Trade in Standardized Options and Futures, the underlying of which is a raw material or a commodity. Chapter 5, section 5 of this Act shall also be applied to an option corporation referred to chapter 1, section 3 of the Act on Trade in Standardized Options and Futures, to a person in a relationship referred to in chapter 5, section 5 (1), (1) - (3) to him as well as to an organisation or foundations in a relationship referred to in chapter 5, section 5 (1), (5) to him.

Section 24 b, subsection 1 (2) as well as section 26 a of the Act on the Financial Supervision Authority shall also apply to a standardized option and future in accordance with the Act on Trade in Standardized Options and Futures.

Section 1 a (26.10.2007/923)

Chapter 1, section 4 a, chapter 2, section 1, chapter 4, sections 1 - 7, 9 and 12 - 17 as well as chapter 7, section 2 shall also apply to a derivatives contract subject to trading on a regulated market supervised by the authorities other than in an option corporation referred to in the Act on Trade in Standardized Options and Futures (*a derivatives contract comparable to a standardized option or future*). Chapter 4, section 18 shall also apply to a derivatives contract comparable to a standardized option and future if the market is located in an EEA Member State. Chapter 5, sections 1, 2 and 12-15 shall also apply to a derivatives contract comparable to a standardized option or future, the underlying of which is a security subject to public trading or a raw material or another commodity.

Chapter 5, sections 3 - 5, 6 and section 7 (1), (2), (4) and (5) as well as sections 8-11 shall also apply to a derivatives contract comparable to a standardized option and future, the underlying of which is a share subject to public trading or a security entitling to a share in accordance with the Limited-Liability Companies Act.

Section 24 b, subsection 1 (2) as well as section 26 a of the Act on the Financial Supervision Authority shall also apply to a derivatives contract comparable to a standardized option or future.

Section 1 b (26.10.2007/923)

Chapter 1, section 4 a, chapter 2, section 1, chapter 4, sections 1 - 7, 9, 12 - 17 and section 18 (6) as well as chapter 7, section 2 shall also apply to a derivatives contract which is not subject to trading in an option corporation referred to in chapter 1, section 3 of the Act on Trade in Standardized Options and Futures or on another regulated market supervised by the authorities referred to in section 1 a of this chapter. Chapter 5, sections 1, 2, 12-15 shall also apply to such derivatives contract if the underly-

ing thereof is a security subject to public trading or to corresponding trading in the European Economic Area or a raw material or another commodity.

Chapter 5, sections 3 - 5, 5 a, and 6 and section 7 (1), (2), (4) and (5) as well as sections 8-11 shall also apply to a derivatives contract referred to in this section, the underlying of which is a share subject to public trading or a security entitling to a share in accordance with the Limited-Liability Companies Act.

Section 24 b, subsection 1 (2) as well as section 26 a of the Act on the Financial Supervision Authority shall also apply to a derivatives contract referred to in this section.

Section 1 c (26.10.2007/923)

Chapter 3 a, sections 1 - 10 of this Act shall, where applicable, apply to the arrangement of multilateral trading in derivatives contracts referred to in section 1 b of this chapter.

Further provisions

Section 2

Further provisions on the implementation of this Act shall be issued by decree.

Appeal (9.8.1993/740)

Section 3

The decisions of the Ministry of Finance issued under this Act may be appealed. If a decision on the granting of a license to operate a stock exchange, the confirmation of the stock exchange rules or their amendments, the confirmation of the rules of other public trading or their amendments, the granting of a license of a clearing organisation or on the confirmation of the rules of a clearing organisation or their amendments referred to in chapter 3, section 2, subsection 1, section 4, subsection 2 or section 13, subsection 3 or in chapter 4 a, section 2 or section 4, subsection 1 has not been made within the time prescribed therefore, the applicant may file an appeal. The appeal shall in that case be deemed to concern a rejecting decision. Such appeal may be made until the decision has been issued. The Ministry of Finance shall notify the appeal authority of the issuing of the decision if the decision is issued after the filing of the appeal. The provisions of the Administrative Judicial Procedure Act (586/1996) shall otherwise, where applicable, be applied to the filing and handling of the appeal referred to in this subsection. (28.12.2001/1517)

The issuer of a security and the stock exchange may appeal a decision of the Financial Supervision Authority in a matter referred to the Financial Supervision Authority in accordance with in Chapter 3, section 11, subsection 4. A registered association looking after the inter-ests of investors and an investor holding securities that have been ordered to be removed from stock-exchange listing or securities entitling one to such securities may appeal a decision of the Financial Supervision Authority in a matter referred to in Chapter 3, section 11, subsection 3. (26.7.1996/581)

Appeal against a decision of the Market Court shall be governed by the provisions of the Act on Certain Proceedings before the Market Court (1528/2001). (28.12.2001/1517)

The issuer of a security, a party in charge of other public trading, a registered association looking after the interests of investors as well as an investor holding securities whose public trading has been ordered to be terminated, or securities entitling one to such securities, may appeal a decision of the Financial Supervision Authority referred to in Chapter 3, section 12, subsection 5. (26.7.1996/581)

Section 37, subsection 2 of the Act on the Financial Supervision Authority shall not apply to appeal from a decision relating to a matter referred to in chapter 3, section 11, subsections 1 and 2, section 12, subsection 5 as well as chapter 6, section 6, subsection 3. (27.6.2003/600)

Section 3 a (8.6.2006/442)

Appeal against a decision of the Financial Supervision Authority made under chapter 2, sections 4, 4 a and 11, chapter 6, sections 4, 5, 10 and 15 as well as chapter 7, sections 1 a and 1 c shall be lodged in the Market Court as provided for in the Administrative Judicial Procedure Act (586/1996). The Market Court shall handle a matter referred to in chapter 6, section 5 and chapter 7, section 1 a as an urgent matter.

Entry into force

Section 4

This Act shall enter into force on 1 August 1989. This Act shall not be applied to the marketing or issuance of securities, procedure of a stock exchange, OTC markets, other public trading in securities, a securities transaction, a securities order executed or a tender offer that has taken place prior to the entry into force of this Act. Nor shall a fact that has occurred prior to the entry into force of this Act create a duty of declaration to a company or a person or a duty of redemption to a shareholder.

An application for the granting of license to operate a stock exchange and to approve the stock exchange regulations as well as the rules and instructions to be complied with in OTC markets and other public trading in securities and to approve a market-making may be taken up and the license may be granted and the regulations, rules, instructions and contract approved as well as other action necessary for the implementation of the Act taken prior to the entry into force of this Act.

Anyone who upon the entry into force of this Act operates a stock exchange shall apply for a license and approval of its stock exchange regulation or terminate the operation of the stock exchange within six months from the entry into force of this Act. If the license and approval of the stock exchange regulation has been applied for within said period of time but the license has not been granted or the regulation has not been approved within one year from the entry into force of the Act, the operation of the stock exchange shall be terminated unless the Ministry of Finance, for a special reason, grants an extension for the termination.

Anyone who upon the entry into force of this Act is operating OTC markets or carrying on other public trading in securities, shall apply for approval of the market-making and the rules and instructions to be complied with in the OTC markets or other public trading or terminate said activity within six months from the entry into force of this Act. If the approval has been applied for within said period of time but the contract, rules or instructions have not been approved within one year from the entry into force of the Act, said activity shall be terminated unless the Financial Supervision, for a special reason, grants an extension for the termination.

GP 157/1988; Grand Committee Report 8/1989; Banking Committee Report 1/1989

Entry into force and application of the amendments:

20 December 1991/1554:

This Act shall enter into force on 1 January 1992.

GP 69/1991; Economics Committee Report 18/1991.

9 August 1993/740:

This Act shall enter into force on a date to be determined by decree. (Act 740/1993 entered into force on 1 January 1994 by Decree 1617/1993.)

A shareholder whose holdings in a company other than a listed company or an OTC company have reached or exceeded the threshold referred to in Chapter 2, section 9 and resulting in the duty of disclosure shall make the disclosure to the company within one month from the entry into force of this Act.

Chapter 3, section 10 and a decision of the Ministry of Finance made thereunder shall not apply to a security admitted for listing on a stock exchange before the entry into force of this Act.

A shareholder shall not be under a duty of redemption if the threshold of two-thirds of the voting rights attached to the shares of a company calculated in accordance with Chapter 6, section 6, has been exceeded before the entry into force of this Act and it falls under the said threshold within three years from the entry into force of this Act. A duty of redemption shall, however, not arise if the said portion of the shareholder was exceeded before 1 June 1993.

Appendix IX to the EEA agreement: Council Directives (79/279/EEC, 80/390/EEC, 82/121/EEC, 87/345/EEC, 88/627/EEC, 89/298/EEC, 89/592/EEC and 90/211/EEC)

GP 318/1992; Economics Committee Report 16/1993

9 August 1993/751:

This Act shall enter into force on a date to be provided for by Decree. (Act 751/1993 entered into force on 1 January 1994 by Decree 1617/1993)

Appendix IX to the EEA agreement: Council Directives (85/611/EEC and 88/220/EEC)

GP 309/1992; Economics Committee Report 15/1993

5 January 1994/19:

This Act shall enter into force on 1 July 1994.

GP 360/1992; Economics Committee Report 40/1993.

21 April 1995/605:

This Act shall enter into force on 1 September 1995.

GP 94/1993; Legal Committee Report 22/1994; Grand Committee Report 10/1994

18 December 1995/1537:

This Act shall enter into force on 1 January 1996.

GP 167/1995; Economics Committee Report 22/1995; Parliament's Reply 122/1995

26 July 1996/581:

This Act shall enter into force on 1 August 1996.

Anyone who upon the entry into force of this Act arranges other public trading for which the Financial Supervision Authority has confirmed the rules prior to the entry into force of this Act, shall, within three months from the entry into force of this Act, submit the rules to the relevant Ministry for confirmation or cease to arrange other public trading.

An application for the confirmation of the rules of a stock exchange or the rules complied with in other public trading may be taken up for consideration already prior to the entry into force of the Act and the rules may be confirmed as well as other measures required by the implementation of the Act taken prior to the entry into force of this Act.

The duties referred to in Chapter 4, section 7 and Chapter 5, sections 3 and 4 shall be complied with after two months from the entry into force of the Act.

Council Directives 93/6/EEC (OJ L 141, 11.6.1993, p. 1), 93/22/EEC (OJ L 141, 11.6.1993, p. 1)

GP 7/1996; Economics Committee Report 10/1996; Parliament's Reply 96/1996

26 July 1996/584:

This Act shall enter into force on 1 August 1996.

Council Directives 85/611/EEC (OJ L 375, 31.12.1985, p. 3); 88/220/EEC (OJ L 100, 19.4.1988, p. 31)

GP 56/1996; Economics Committee Report 11/1996; Parliament's Reply 100/1996

20 December 1996/1076:

This Act shall enter into force on 1 January 1997.

GP 192/1996; Economics Committee Report 23/1996; Parliament's Reply 219/1996

14 February 1997/146:

This Act shall enter into force on 1 September 1997.

GP 89/1996; Economics Committee Report 24/1996; Parliament's Reply 233/1996

19 June 1997/614:

This Act shall enter into force on 1 September 1997.

GP 18/1997; Economics Committee Report 16/1997; Parliament's Reply 84/1997

8 May 1998/321:

This Act shall enter into force on 1 June 1998.

An application for the granting of the license of a clearing organisation, the confirmation of the Rules of the clearing organisation and the contract on the distribution of losses, an exemption to be granted from the restriction on control as well as the granting of the rights of a clearing party may be taken up for handling already prior to the entry into force of the Act. A decision relating to these applications may likewise be made and also other measures necessary for the implementation of the Act taken prior to the entry into force of the Act.

Anyone who, upon the entry into force of this Act, operates a clearing organisation shall apply for a license and the confirmation of the Rules or terminate the operation of the clearing organisation within six months from the entry into force of this Act. If the license and the confirmation of the Rules have been applied within the time limit but the license has not been granted or the Rules have not been confirmed within one year from the entry into force of this Act, the operation of the clearing organisation shall be terminated unless the competent Ministry, for a special reason, grants an extension for the termination.

If the amount of own capital of a clearing party does not, upon the entry into force of this Act, fulfill the requirements of chapter 4 a, section 8, subsection 1, the clearing party shall, within one year from the entry into force of this Act, ensure that the said requirement is met or terminate its operation within the said time.

GP 209/1997; Economics Committee Report 1/1998; Parliament's Reply 16/1998

10 July 1998/522:

This Act shall enter into force on 1 September 1998.

GP 56/1998; Economics Committee Report 11/1998; Parliament's Reply 56/1998

18 December 1998/994:

This Act shall enter into force on 1 January 1999.

Measures necessary for the implementation of the Act may be undertaken prior to its entry into force.

GP 127/1998; Economics Committee Report 24/1998; Parliament's Reply 184/1998

29 January 1999/51:

This Act shall enter into force on 1 February 1999.

GP 202/1998; Economics Committee Report 35/1998; Parliament's Reply 219/1998

29 January 1999/105:

This Act shall enter into force on 1 April 1999. Chapter 1, section 5 of the Act shall, however, not enter into force until 1 January 2000, until which time chapter 1, section 4, subsection 5 repealed by this Act shall be applied.

The interim report referred to in chapter 2, section 5, subsection 1 of the Act, in the case of a security referred to in chapter 1, section 2, subsection 1, paragraph 1 or 3, shall be prepared for the first three, six and nine months of the financial period for the first time at the latest for the financial period beginning on 1 April 2000 or thereafter. Before that, the interim report referred to above shall be prepared either for the first six or four and eight months of the financial period. In the case of a security referred to in chapter 1, section 2, subsection 1, paragraph 2, the interim report referred to in chapter 2, section 5, subsection 1 of the Act shall be prepared for the first time no later than for the next financial period beginning after the entry into force of the Act.

The interim report referred to in chapter 2, section 5, subsection 1 of the Act shall be published in the manner referred to in section 5, subsection 6 without undue delay, however, at the latest within two months from the end of the report period for the first time at the latest for the financial period beginning on 1 January 2000 or thereafter. Before that, the interim report referred to above shall be published without undue delay, however, at the latest within three months from the end of the report period.

The annual accounts referred to in chapter 2, section 6, subsection 1 of the Act shall be published in the manner referred to in the said subsection without undue delay at the latest one week before the meeting in which the annual accounts shall be presented to be adopted, however, at the latest within three months from the end of the financial period for the first time for the financial period beginning on 1 January 2000 or thereafter. Before that, the annual accounts referred to above shall be published without undue delay at the latest one week before the meeting in which the annual accounts shall be presented to be adopted.

The portion of holdings referred to in chapter 2, section 9 existing at the time of the entry into force of the Act shall be disclosed to the company and the Financial Supervision Authority within six months from the entry into force of the Act if the portion of holdings is at least one-twentieth but less than one-tenth of the voting rights or share capital of the company unless the portion of holdings has been previously disclosed or otherwise published.

This Act repeals the Decree on the Mutual Recognition of Listing Particulars and Prospectuses Approved in the European Economic Area issued on 30 June 1995 (919/1995).

GP 209/1998; Economics Committee Report 37/1998; Parliament's Reply 235/1998

1 April 1999/476:

This Act shall enter into force on 1 June 1999.

GP 254/1998; Legal Committee Report 28/1998; Parliament's Reply 295/1998

22 October 1999/970:

This Act shall enter into force on 1 November 1999.

According to the provisions on its entry into force, a stock exchange and a clearing organisation which have a license at that time do not need to reapply for the license.

GP 47/1999; Economics Committee Report 5/1999, Parliament's Reply 28/1999

15 September 2000/797:

This Act shall enter into force on 16 October 2000.

A clearing party whose amount of share capital does not fulfil the requirements provided for in chapter 4 a, section 8, subsection 1 upon the entry into force of this Act shall, within six months from the entry into force of this Act, ensure that the said requirement is fulfilled or terminate the operations of a clearing party within the said period of time.

The capital of the clearing fund referred to in chapter 4 a, section 7 shall be EUR 10 million at the latest on 1 January 2011.

If the Central Securities Depository under chapter 4 a, section 7 decides to terminate the clearing fund referred to in the same section, the assets contributed to the clearing fund by the time of its termination shall be refunded to the clearing parties who have paid them.

Measures necessary for the implementation of the Act may be undertaken prior to its entry into force.

GP 28/2000, Finance Committee Report 15/2000, Reply of Parliament 80/2000

26 October 2001/893:

This Act enters into force on 1 January 2002.

GP 80/2000, Legal Affairs Committee Report 14/2001, Reply of Parliament 94/2001

28 December 2001/1517:

This Act enters into force on 1 January 2002. Chapter 2, section 3, subsections 1-6 thereof shall, however, not enter into force until 1 July 2002.

The provisions of chapter 2, section 3, subsections 1-6 shall for the first time be applied to private limited companies, mutual insurance companies other than public mutual insurance companies and to insurance associations.

The time limits for making the decisions in accordance with chapter 3, section 2, subsection 3, section 4, subsection 2, section 13, subsection 3 and chapter 4 a, section 2, subsection 3 and section 4, subsection 1 of this Act shall not be applied to applications pending upon the entry into force of this Act.

A stock exchange, an organiser of other public trading and a clearing organisation shall supplement its rules to comply with the requirements set in this Act. Application for supplementing the rules shall be made within six months from the entry into force of this Act.

A party organising the trading procedure referred to in chapter 3, section 16 shall draw up the rules of its trading procedure and communicate them to the Financial Supervision Authority within 12 months from the entry into force of this Act.

Chapter 7, section 2, subsection 2 and 3 and chapter 10, section 3, subsection 3 of this Act shall enter into force on 1 March 2002.

Measures necessary for the implementation of the Act may be undertaken prior to its entry into force.

GP 184/2001, Finance Committee Report 22/2001, Reply of Parliament 218/2001

28 December 2001/1536:

This Act enters into force on 1 March 2002.

Measures necessary for the implementation of the Act may be undertaken prior to its entry into force.

GP 105/2001, Legal Affairs Committee Report 23/2001, Reply of Parliament 191/2001

31 January 2003/73:

This Act enters into force on 15 February 2003.

GP 33/2002, Finance Committee Report 25/2002, Reply of Parliament 202/2002

27 June 2003/600:

This Act enters into force on 1 July 2003.

GP 175/2002, Finance Committee Report 27/2002, Reply of Parliament 277/2002

20 January 2004/12:

This Act enters into force on 1 February 2004.

GP 133/2003, Finance Committee Report 9/2003, Reply of Parliament 121/2003

2 April 2004/228:

This Act enters into force on 8 April 2004.

GP 110/2003, Statement of the Constitutional Law Committee 16/2003, Finance Committee Report 2/2004, Reply of Parliament 12/2004, Directive 2001/107/EC of the European Parliament and of the Council (32001L01107); Official Journal L 041, 13.2.2002 p. 20-34, Directive 2001/108/EC of the European Parliament and of the Council (32001L01108); Official Journal L 041, 13.2.2002 p. 35-42

13 August 2004/752:

This Act enters into force on 8 October 2004.

GP 55/2004, Finance Committee Report 13/2004, Reply of Parliament 107/2004, Council Regulation (EC) No 2157/2001 (32001R2157); Official Journal L 294, 8.10.2001, p. 1

13 May 2005/297:

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23 June 2005/448:

This Act enters into force on 1 July 2005.

Measures necessary for the implementation of the Act may be undertaken prior to its entry into force. Chapter 2, sections 3, 3 a - 3 d, 4 and 4 a - 4 f of the Act shall be applied to prospectuses to be published after the entry into force of the Act. The annual summary referred to in chapter 2, section 10 of the Act shall be published for the first time for the financial period beginning after the entry into force of the Act.

If the corporate-law registered office of the issuer of securities is in a State outside the European Economic Area, the home State of the issue of securities referred to in chapter 1, section 4, subsections 7 and 9 is Finland if the securities have been offered to the public or their admission to public trading has been applied for in the European Economic Area for the first time in Finland on or after 1 January 2004. If the offering or application has been decided on by another party than the issuer, the issuer may later choose another State belonging to the EEA as the home State.

Chapter 1, section 4, subsection 4, paragraph 2 of the Act shall be applied to contracts concluded after the entry into force of this Act.

8 June 2006/442:

This Act enters into force on 1 July 2006.

The provisions of chapter 6 of this Act shall be applied to takeover bids, the offer document relating to which is made public after the entry into force of this Act. Takeover bids, the offer document relating to which is made public prior to the entry into force of this Act shall be governed by the provisions in force upon the entry into force of this Act.

A shareholder shall not become subject to the obligation to launch a bid if the portion of three-tenths or half of votes carried by the shares of the company calculated in accordance with chapter 6, section 10 is exceeded prior to the entry into force of this Act and if it falls below the said threshold within three years from the entry into force of this Act. The obligation to launch a bid shall, however, not arise if the said portion of the shareholder has been exceeded prior to 17 February 2006. If the portion of votes of the shareholder calculated in accordance with chapter 6, section 10 exceeds half but not two-thirds of the votes carried by the shares of the company upon the entry into force of this Act, the obligation to launch a bid shall arise if the portion of the shareholder, within three years from the entry into force of this Act, through acquisitions of or subscriptions for shares, exceeds two-thirds.

The portion of holdings referred to in chapter 2, section 9, existing upon the entry into force of this Act, shall be communicated to the company and the Financial Supervision Authority within two months from the entry into force of the Act if the portion of holdings is at least three-tenths but not over one-third of the votes of the company or of the share capital unless the portion of holdings has earlier been communicated or otherwise made public.

GP 6/2006

Finance Committee Report 6/2006

Reply of Parliament 52/2006

Directive 2004/25/EC of the European Parliament and the Council (32004L0025), Official Journal L 142, 30.4.2004, p. 12

21 July 2006/646

This Act enters into force on 1 September 2006.

GP 109/2005

Finance Committee Report 7/2006

Reply of Parliament 63/2006

9 February 2007/133

This Act enters into force on 15 February 2007.

GP 21/2006

Finance Committee Report 25/2006

Reply of Parliament 252/2006

9 February 2007/152

This Act enters into force on 15 February 2007.

Measures necessary for the implementation of the Act may be undertaken prior to its entry into force.

This Act shall apply to annual accounts, an annual report, an account statement and an interim report to be published after its entry into force. An issuer may, however, prepare annual accounts, an annual report, an account statement and an interim report in accordance with the provisions in force upon the entry into force of the Act for a financial period and report period that has ended prior to the entry into force of the Act. In addition, an issuer of a security referred to in chapter 1, section 2, subsection 1 (2), (4) or (6) may prepare an interim report in accordance with the provisions in force upon the entry into force of the Act for a financial period that has started on 1 January 2007 or before that.

An issuer may give the interim management statement referred to in chapter 2, section 5 c also during a financial period which has started prior to the entry into force of the Act. The information referred to in subsection 1 of the said section shall be published with regard to a financial period that has started prior to the entry into force of the Act at the latest within one month from the entry into force of the Act.

GP 174/2006

Finance Committee Report 29/2006

Reply of Parliament 270/2006

Directive 2004/109/EC of the European Parliament and the Council (32004L0109), Official Journal L 390, 31.12.2004, p. 38

26 October 2007/923

This Act enters into force on 1 November 2007.

Measures necessary for the implementation of the Act may be undertaken prior to its entry into force. A securities intermediary shall classify the clients which it has upon the entry into force of this Act in accordance with this Act and notify each client of his classification as a retail client, a professional client or as an eligible counterparty. A securities intermediary shall notify the client in a permanent manner referred to in chapter 1, section 4 a, subsection 2 also of his right to request changing the client

classification as well as present an account on the effect of the change in the classification on the position of the client. The securities intermediary may, however, maintain the classification as a professional client made based on chapter 1, section 4 (4) prior to the entry into force of the Act if the securities intermediary has classified the client so that it has evaluated his expertise, investment experience and knowledge and been convinced that the client can make his own investment decisions and understand the related risks.

The stock exchange and the central securities depository shall supplement their rules to comply with the requirements of this Act. The application for supplementing the rules shall be made within four months from the entry into force of this Act.

A stock exchange which arranges trading in accordance with chapter 3, section 12 of the Act in force upon the entry into force of this Act shall bring the rules of the trading facility to comply with chapter 3, section 14 within four months from the entry into force of the Act or terminate the arrangement of the trading facility.

A securities intermediary which arranges trading in accordance with chapter 3, section 12 of the Act in force upon the entry into force of this Act shall terminate the arrangement of the trading facility within six months from the entry into force of the Act.

A stock exchange which carries out professional arrangement of trading in accordance with chapter 3, section 16 in force upon the entry into force of this Act shall bring the rules to comply with chapter 3, section 14, chapter 3 a, section 2 or 11 or terminate the arrangement of trading within six months from the entry into force of the Act.

A securities intermediary which carries out professional arrangement of trading in accordance with chapter 3, section 16 in force upon the entry into force of this Act shall apply for an authorisation of an investment firm for its operations in the manner provided for in the Act on Investment Firms and bring the rules to comply with chapter 3 a, section 2 or 11 or terminate the arrangement of trading within six months from the entry into force of the Act.

An organiser of trading authorised in a State other than an EEA Member State which upon the entry into force of this Act arranges trading referred to in chapter 3, section 35 (2) and (3) shall apply for a license required in this Act from the Ministry of Finance within three months from the entry into force of the Act.

A securities intermediary which upon the entry into force of this Act acts as a systematic internaliser referred to in chapter 4, section 10 shall notify the Financial Supervision Authority in writing of continuance of operations within one month from the entry into force of the Act.

A securities intermediary need not apply to its client which it has had upon the entry into force of this Act chapter 4, section 3 (2) to the extent that the investment services provided for the client as well as the securities and derivatives contracts in which the client has invested remain as they are after the entry into force of the Act.

The stock exchange shall, on request of the Financial Supervision Authority, submit to the Financial Supervision Authority, until 1 March 2009, calculations in accordance with Article 33 of the Commission Regulation on trading in shares which the stock exchange has admitted to public trading. The information in the insider register referred to in chapter 5, section 7 (2) of this Act shall be brought to comply with the Act within six months from the entry into force of the Act.

Reply of Parliament 39/2007

Directive 2004/39/EC of the European Parliament and of the Council (32004L0039), Official Journal No L 145, 30.4.2004, p. 1

Commission Directive 2006/73/EY (32006L0073), Official Journal No L 241, 2.9.2006, p. 26

28 December 2007/1424

This Act enters into force on 31 December 2007.

GP 103/2007

Finance Committee Report 8/2007

Reply of Parliament 115/2007

Directive 2005/56/EC of the European Parliament and of the Council, Official Journal No L 310, 12.07.2005, p. 1-9