

Finansinspektionen's Regulatory Code

Publisher: Finansinspektionen, Sweden, www.fi.se
ISSN 1102-7460



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Regulations amending Finansinspektionen's regulations (FFFS 2007:17) governing operations on trading venues;

FFFS 2014:17

Published on
9 July 2014

decided on 26 June 2014.

Finansinspektionen prescribes pursuant to Chapter 6, section 1, point 4 of the Securities Market Ordinance (2007:572) that part 1.5 of appendix 1 a and parts 1.9, 4.1 and 4.2 of appendix 1 b of Finansinspektionen's regulations (FFFS 2007:17) governing operations on trading venues shall have the following wording.

These regulations shall enter into force on 2 August 2014.

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Appendix 1 a

1.5 Append a description or outline of any insurance group or the undertakings potentially included in a consolidated situation in accordance with Article 18 of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 following the acquisition.

The number of participations shall be stated as a percentage of the number of issued participations.

If the number of voting rights differs from the number of participations, also state the number of votes as a percentage of the total number of voting rights.

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

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

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

Appendix 1 b

1.9 Append a description or outline of any insurance group or the undertakings potentially included in a consolidated situation in accordance with Article 18 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms following the acquisition.

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

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

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

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

4.1 Information when ownership involves control

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

- has the right to appoint or dismiss a majority of the members of the target company's administrative, management or supervisory bodies, or
- via agreements with other owners in the target company has access to more than half of the votes for all shares or participations.

Business plan

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

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

2. A *solvency or capital adequacy calculation* at the time of the acquisition or at the time of the most recently adopted figures before the acquisition, if the acquisition will entail that the target company and the acquirer will become part of an insurance group or a consolidated situation in accordance with Article 18 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

3. A specified list of the large exposures held by the acquirer at the time of acquisition if the acquirer is a financial institution.

4. *Forecasts* for the target company for the coming three years. If the acquisition will entail that the target company and the acquirer will become part of an insurance group or a consolidated situation in accordance with Article 18 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, forecasts shall also be submitted for the group.

The following information shall be included in the forecasts:

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

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

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

4.2 Information when ownership does not involve control, but totals 20 per cent or more

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

1. information about whether the acquirer intends within the foreseeable future to increase or reduce its holding in the target company,

2. if the acquirer intends to actively attempt to exercise influence over the undertaking (and specify the circumstances related thereto),

3. A *solvency or capital adequacy calculation* at the time of the acquisition or at the time of the most recently adopted figures before the acquisition, if the acquisition will entail that the target company and the acquirer will become part of an insurance group or a consolidated situation in accordance with Article 18 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, and

4. a specified list of the large exposures held by the acquirer at the time of the acquisition, if the acquirer is a financial institution.