

# Finansinspektionen's Regulatory Code

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## **Regulations amending Finansinspektionen's regulations (FFFS 2017:2) regarding investment services and activities;**

**FFFS 2019:9**

Published on  
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decided on 18 June 2019.

Finansinspektionen prescribes pursuant to Chapter 6, section 1, points 4, 9, 28, 31 and 32 of the Securities Market Ordinance (2007:572) in respect of Finansinspektionen's regulations (FFFS 2017:2) regarding investments services and activities

*in part* that a new chapter, Chapter 2a, shall be inserted with the following wording, *in part* that Chapter 3, section 7, Chapter 6, section 21 and Chapter 7, section 7 shall have the following wording.

### **Chapter 2a Application for authorisation to conduct ancillary business**

**Section 1** A securities company shall specify in its application that it is applying for authorisation to conduct ancillary business in accordance with Chapter 2, section 3 of the Securities Market Act (2007:528).

The application shall be signed by an authorised representative for the company.

**Section 2** A securities company shall append to its application

1. minutes from a meeting of the board of directors showing that the board of directors has approved the application,
2. a certificate of registration for the company from the Swedish Companies Registration Office or the equivalent,
3. articles of association, where it is clearly stated which ancillary business(es) the company will conduct,
4. relevant financial information prepared in accordance with Article 5 of Commission Delegated Regulation (EU) 2017/1943 of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards on information and requirements for the authorisation of investment firms,
5. a business plan and other relevant information about the company's organisation prepared in accordance with Article 6 of Regulation (EU) No. 2017/1943,
6. an account of the special reasons for why the company shall receive authorisation for ancillary business and in which manner such business could facilitate the company's investment services and activities.

## **Ownership**

**Section 3** A securities company shall submit as part of its application an overview of the company's direct and indirect owners.

## **Management list**

**Section 4** A securities company's application shall include information about the members and, if any, alternate members of its board of directors. The company shall also specify the name of the chair of the board of directors, the managing director, and any person serving in the managing director's stead.

## **Chapter 3**

**Section 7** A securities institution shall ensure that a risk management function as referred to in Article 23 of the Delegated Regulation for MiFID II

1. identifies, measures and correctly reports all significant risks, and
2. actively participates in the work with the securities institution's risk strategy and in all significant risk management decisions and provides comprehensive feedback on all types of risks that apply to the institution.

## **Chapter 6**

**Section 21** A securities institution shall designate a responsible person at the institution who has sufficient knowledge, expertise and powers to be able to assume specific responsibility for questions pertaining to the institution's obligation to protect client financial instruments and funds.

## **Chapter 7**

**Section 7** The following shall be considered to be minor non-monetary benefits as referred to in Chapter 9, section 22, second paragraph of the Securities Market Act (2007:528):

1. information or documentation relating to a financial instrument or an investment service, which is generic in nature or personalised to reflect the circumstances of an individual client.
2. Written material prepared by a third party that has been commissioned and paid for by an undertaking that is an issuer or potential issuer to promote a new issuance by that institution, or where the third party is contractually engaged and paid by the issuer to produce such material on an ongoing basis. A condition for this is that the relationship is clearly disclosed in the material and that the material is made available at the same time to the general public or any securities institution wishing to receive it.
3. Participation in conferences, seminars and other information events on the benefits and features of a specific financial instrument or investment service.
4. Representation up to a reasonable amount.
5. Free test subscriptions of investment analysis, on the condition that

– the securities institution has signed an agreement with the supplier regarding the period of time during which the investment analysis will be received and this period does not exceed three months,

– the parties reached an agreement regarding the scope of the services the supplier shall provide before the investment analysis is received,

– the securities institution receiving the investment analysis does not pay any monetary or non-monetary compensation or benefits to the supplier, to any undertaking that has a qualified holding in the supplier, or any undertaking in which the supplier has a qualified holding,

– a new agreement for a test subscription is not entered into with the same supplier within one year from the expiration of a previous agreement for a test subscription, and

– the securities institution's customers do not pay for the investment analysis that the institution receives during the test subscription period.

Minor non-monetary benefits shall be reasonable and proportionate and of such a scale that they are unlikely to influence the institution's behaviour in any way that is detrimental to the interests of the relevant client.

Minor non-monetary benefits shall be disclosed prior to the provision of investment advice on an independent basis or portfolio management is offered to the client. Minor non-monetary benefits may be described in a generic way.

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These regulations shall enter into force on 2 July 2019.

ERIK THEDÉEN

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