

Translation from Finnish**Legally binding only in Finnish and Swedish****Ministry of Finance, Finland****Act on Trading in Financial Instruments***(1070/2017; amendments up to 709/2018 included)*

By decision of Parliament, the following is enacted:

PART I**General provisions****Chapter 1****Scope of application and definitions****Section 1****Scope of application**

This Act shall apply to the arrangement of trading in financial instruments and the publication of information in respect of the trading in financial instruments.

This Act shall apply to a corresponding foreign entity operating a stock exchange or other trading venue as provided in chapter 4.

Chapters 8 and 9 of this Act shall be applied to a data reporting service provider referred to in this Act.

The arrangement of trading in financial instruments and publication of information in respect of trading in financial instruments, reports on trades, and trading in derivative contracts shall also be governed by Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments and amending Regulation (EU) No 648/2012 (EU) 600/2014, hereinafter the EU Markets in Financial Instruments Regulation.

Section 2

Definitions

For the purposes of this Act:

- 1) a *financial instrument* means a financial instrument referred to in chapter 1, section 14 of the Act on Investment Services (747/2012);
- 2) a *security* means a security referred to in chapter 2, section 1 of the Securities Markets Act (746/2012);
- 3) a *derivative contract* means a financial instrument referred to in chapter 1, section 14, subsection 1, paragraphs 3–9 of the Act on Investment Services;
- 4) a *multilateral system* means any system or facility in which multiple third-party buying and selling trading interests in financial instruments are able to interact in the system;
- 5) a *regulated market* means a multilateral system operated by a stock exchange or a market operator corresponding thereto in another EEA Member State, which brings together bids and offers or invitations to quote for financial instruments in accordance with the rules drafted by the market operator in a way that results in a binding deal in a financial instrument;
- 6) a *market operator* means a person or persons who manages or operates the business of a regulated market and may be the regulated market itself;
- 7) a *stock exchange* means a Finnish limited-liability company that operates a regulated market in Finland;
- 8) a *multilateral trading facility* (MTF) means a multilateral system operated by a multilateral trading operator or by a trading operator corresponding thereto in another EEA Member State other than the multilateral system referred to in paragraphs 5 or 11, which brings together bids and offers or invitations to quote for financial instruments in a way that results in a binding deal in a financial instrument;
- 9) an *SME growth market* means a special registered MTF referred to in chapter 6;

10) a *small and medium-sized enterprise* means an enterprise that had an average market capitalisation of less than EUR 200,000,000 on the basis of end-year quotes for the previous three calendar years;

11) an *organised trading facility* (OTF) means a multilateral system, other than one referred to in paragraph 5, 8 or 9, where only bonds, structured finance products, emission allowances or derivatives are allowed to be traded;

12) *multilateral trading operator* and *organised trading operator* mean a stock exchange, an investment firm or branch of a third country firm referred to in the Act on Investment Services, or a credit institution referred to in the Act on Credit Institutions (610/2014), operating a system in Finland referred to in paragraphs 8 and 11, respectively;

13) a *trading venue* means a regulated market, an MTF, or an OTF;

14) an *investment-service provider* means an investment firm and a foreign investment firm referred to in the Act on Investment Services, a credit institution and a foreign EEA credit institution referred to in the Act on Credit Institutions that provides investment services, as well as a management company and a foreign management company referred to in the Act on Common Funds (48/1999) that provides investment services, as well as an alternative fund manager and an EEA alternative fund manager referred to in the Act on Alternative Investment Fund Managers (162/2014) that provides investment services;

15) a *trading party* means an investment service provider or another person authorised by a stock exchange or a multilateral trading operator to trade on the trading venue in question;

16) a *systematic internaliser* means an investment service provider which, on an organised, frequent, systematic and substantial basis, deals on its own account when executing client orders outside a trading venue without operating a multilateral system;

17) *algorithmic trading* means trading in financial instruments where a computer algorithm automatically determines the individual parameters of orders;

18) *matched principal trading* means a transaction where the facilitator interposes itself between the buyer and the seller to the transaction in such a way that it is never exposed to market risk throughout the execution of the transaction, with both sides executed simultaneously, and where

the transaction is concluded at a price where the facilitator makes no profit or loss, other than a previously disclosed commission, fee or charge for the transaction;

19) *data reporting service* means the operating of an approved publication arrangement, consolidated tape provision or an approved reporting mechanism;

20) a *data reporting service provider* means a Finnish limited liability company or a European company referred to in the Act on European Companies (743/2004) authorised in accordance with this Act to provide an approved publication arrangement, a consolidated tape provision or an approved reporting mechanism;

21) an *approved publication arrangement (APA) provider* means a company referred to in paragraph 20 which has the right to provide the service of publishing information on trades on behalf of an investment firm in accordance with Articles 20 and 21 of the EU Markets in Financial Instruments Regulation;

22) a *consolidated tape provider (CTP)* means a company referred to in paragraph 20 which has the right to provide the service of collecting trade reports for financial instruments referred to in Articles 6, 7, 10, 12, 13, 20 and 21 of the EU Markets in Financial Instruments Regulation from a stock exchange, regulated market, multilateral trading facility, organised trading facility and an approved publication arrangement referred to in this Act as well as to consolidate the data into an electronic data stream providing up-to-date price and volume data per financial instrument;

23) an *approved reporting mechanism (ARM) provider* means a company referred to in paragraph 20 which has the right to provide the service of reporting transactions to the Financial Supervisory Authority, another competent authority of an EEA Member State or to the European Securities and Markets Authority on behalf of investment firms;

24) a *foreign EEA data reporting service provider* means a foreign undertaking holding an authorisation granted by the supervisory authority of an EEA Member State other than Finland and corresponding to the authorisation referred to in chapter 8 to provide data reporting service;

25) an *EEA Member State* means a Member State of the European Economic Area;

26) a *third country* means a State other than an EEA Member State;

27) a *foreign EEA investment firm* means the foreign EEA investment firm referred to in chapter 1, section 13, subsection 1, paragraph 7 of the Act on Investment Services;

28) a *foreign EEA credit institution* means the foreign credit institution referred to in chapter 1, section 7, subsection 3 of the Act on Credit Institutions authorised to provide investment services or to perform investment activity as well as to provide ancillary services;

29) a *third country firm* means the third country firm referred to in chapter 1, section 13, subsection 1, paragraph 9 of the Act on Investment Services;

30) the *European Securities and Markets Authority* (ESMA) means the European Securities and Markets Authority referred to in Regulation (EU) No 1095/2010 of the European Parliament and of the Council establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC;

31) *management* means the board of directors of an investment firm, an investment service provider, a stock exchange or a data reporting services provider and, if the company has a supervisory board, the supervisory board, the managing director as well as all those acting directly subordinate to the Managing Director who hold senior managerial positions in an undertaking or who effectively conduct the activities thereof;

32) *senior management* means the Managing Director of an undertaking as well as all those acting directly subordinate to the Managing Director who hold senior managerial positions in an undertaking or effectively conduct the activities thereof;

33) a *limit order* means an order to buy or sell a financial instrument at its specified price limit or better and for a specified size;

34) a *liquid market* means a market for a financial instrument or a class of financial instruments, where there are ready and willing buyers and sellers on a continuous basis, assessed in accordance with the following criteria, taking into consideration the specific market structures of the particular financial instrument or of the particular class of financial instruments:

a) the average frequency and size of transactions over a range of market conditions, having regard to the nature and life cycle of products within the class of financial instruments;

b) the number and type of market participants, including the ratio of market participants to traded financial instruments in a particular product;

c) the average size of spreads, where available.

The frequent and systematic basis of the dealing of the systematic internaliser referred to in subsection 1, paragraph 16 shall be measured by the number of OTC trades in the financial instrument carried out by the investment-service provider on its own account when executing client orders. The substantial basis of the dealing shall be measured either by the size of the OTC trading carried out by the investment-service provider in relation to the total trading of the investment-service provider in a specific financial instrument or by the size of the OTC trading carried out by the investment firm in relation to the total trading in the Union in a specific financial instrument. The definition of a systematic internaliser shall apply only where the pre-set limits for a frequent and systematic basis and for a substantial basis are both crossed or where an investment-service provider chooses to opt-in under the systematic internaliser regime.

The individual parameters referred to in subsection 1, paragraph 17 shall be the initiation of an order, the timing, price or quantity of the order as well as the management of the order after its submission, with limited or no human intervention. This shall not include any systems that are only used for the purpose of routing orders to one or more trading venues or for the procession of orders involving no determination of any trading parameters or for the confirmation of orders or the post-trade processing of executed transactions.

Section 3

Other legislation applicable to a stock exchange

A stock exchange shall be governed by the provisions of the Limited Liability Companies Act (624/2006) unless otherwise provided in this Act or in other legislation relating to a stock exchange.

In the operations of a stock exchange and when operating on a stock exchange, it is prohibited to act contrary to good practice in the securities markets as provided for in chapter 1, section 2 of the Securities Markets Act.

Section 4

European Union legislation

For the purposes of this Act:

1) the *Markets in Financial Instruments Directive (MiFID)* means Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and amending Directive 2002/92 and Directive 2011/61/EU;

2) the *EU Markets in Financial Instruments Regulation (MiFIR)* means Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments and amending Regulation (EU) no 648/2012;

3) the *SE Regulation* means Council Regulation (EC) No 2157/2001 on the Statute for a European Company (SE);

4) the *Stock Exchange Listing Directive* means Directive 2001/34/EC of the European Parliament and of the Council on the admission of securities to official stock exchange listing and on the information to be published on those securities;

5) the *Short Selling Regulation* means Regulation (EU) No 236/2012 of the European Parliament and of the Council on short selling and certain aspects of credit default swaps;

6) the *EU Market Abuse Regulation* means Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

Section 5

Provisions to be complied with by an operator of a multilateral system and a systematic internaliser

All multilateral systems shall operate in compliance with either this Act's provisions on regulated markets, on MTFs or on OTFs. The obligation of a systematic internaliser to disclose trading information is laid down in Title III of the EU Markets in Financial Instruments Regulation.

All transactions in financial instruments which are not concluded in a multilateral system or in a systematic internaliser shall comply with the provisions of Title III of the EU Markets in Financial Instruments Regulation, without prejudice to Articles 23 and 28 of the Regulation.

PART II

MARKETS FOR FINANCIAL INSTRUMENTS

Chapter 2

Operation of a regulated market

Authorisation and administration of a stock exchange

Section 1

Requirement of authorisation of a regulated market and other permitted activity

A regulated market may not be operated without an authorisation granted by the Ministry of Finance.

In addition to the operation of a regulated market, a stock exchange may operate an MTF and an OTF, offer data reporting services and data processing and other services relating to the exchange and custody of financial instruments as well as training and information services relating to the development of securities, derivatives and financial markets and carry out other activities closely related to the activities referred to in this subsection.

A stock exchange may act as a clearing party and an account operator as provided in the Act on the Book-Entry System and Settlement Activities (348/2017).

A stock exchange may not carry out activities other than those referred to in this section.

Section 2

Registered office of a stock exchange

The registered office of the stock exchange shall be in Finland.

Section 3

Company name

An organisation other than one authorised as a stock exchange may not use the term stock exchange or derivatives exchange separately or as a compound in its company name or otherwise to indicate its activity.

Section 4

Application for an authorisation

The Ministry of Finance shall grant the authorisation of a stock exchange to a Finnish limited liability company on application. The authorisation may also be applied for a company to be established.

The application for authorisation shall be appended with a plan relating to the stock-exchange activity and any other activity referred to in section 1, subsection 2 as well as with an application referred to in chapter 3, section 7 for the confirmation of the rules of the stock exchange. The application shall also be appended with adequate accounts regarding the stock exchange on its:

- 1) ownership;
- 2) management and auditors;
- 3) internal control and risk management;
- 4) handling of possible conflicts of interest and close links;

5) financial operating conditions;

6) exercise of supervisory functions.

If the authorisation is applied for a company to be established, the application shall also be appended with adequate accounts on the applicant.

On request of the Ministry of Finance, the applicant shall submit to the Ministry the additional accounts necessary for the granting of the authorisation.

Section 5

Preconditions for the granting of an authorisation

The Ministry of Finance shall grant the authorisation if, on the basis of the account received, it can be ascertained that:

1) the applicant and the activity planned by it meet the requirements provided and ordered in this Act and in the provisions and regulations issued thereunder as well as laid down in the EU Markets in Financial Instruments Regulation on the operation of a regulated market;

2) the owners of the stock exchange meet the requirements provided in section 6;

3) the management of the stock exchange meets the requirements provided in sections 16 – 18 and there are no reasonable grounds for believing that the management body might pose a threat to the effective and sound management of the regulated market or undermine trust in the market;

4) the ownership of the stock exchange does not endanger the business of the stock exchange in compliance with sound and prudent business principles.

Section 6

Reliability of the major owners of a stock exchange

Anyone who, directly or indirectly, holds at least ten per cent of the share capital of a stock exchange or a portion that produces at least 10 per cent of the votes carried by its shares shall be reliable.

A person shall not be deemed reliable if he or she has:

1) 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 that can be deemed to indicate that he or she is manifestly unsuitable to own a stock exchange; or

2) otherwise by his or her earlier activity indicated that he or she is manifestly unsuitable to own a stock exchange.

If the judgment referred to in subsection 2, paragraph 1 has not become final, the sentenced person may, however, continue to exercise control in the stock exchange belonging to the owner of a stock exchange if this is deemed well-founded when assessing, as a whole, his or her earlier actions, the conditions leading to the judgment and any other factors significant to the matter.

Section 7

Decision on an authorisation and commencement of stock-exchange activity

An application for authorisation 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 for deciding the matter. A decision on an authorisation shall, however, always be made within 12 months from receipt of the application. The lodging of an appeal on grounds that a decision has not been issued within the period laid down shall be governed by the provisions of chapter 11, section 1.

The Ministry of Finance shall, prior to deciding the issue, request an opinion on the application of the Bank of Finland and the Financial Supervisory Authority.

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

Unless otherwise ordered in the terms of the authorisation, a stock exchange may commence its activities as soon as the authorisation is granted and the rules referred to in chapter 3, section 7 have been confirmed. If the authorisation is granted for a company to be established, the activity may be commenced after the stock exchange has been registered.

The provisions of chapter 3, section 1, subsection 3 of the Act on Investment Services on the application for authorisation of a company authorised in another EEA Member State shall correspondingly apply to a market operator.

Section 8

Authorisation to a European company

An authorisation shall be granted also to a European company referred to in the SE Regulation which has been granted a corresponding authorisation in another EEA Member State and which intends to transfer its registered office to Finland in accordance with Article 8 of the Regulation. The Ministry of Finance shall request an opinion of the authority supervising the securities markets of the State in question on the application for authorisation. The transfer of the registered office may not be registered before the issue of the authorisation. The same shall apply to the establishment of an SE by merger so that the receiving company whose registered office is in another State shall be registered as an SE in Finland.

Section 9

Registration of the authorisation

The Ministry of Finance shall notify the authorisation to the Trade Register for registration.

An authorisation 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 10

Financial operating conditions

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

The fully-paid share capital of a stock exchange shall be at least EUR 730,000.

Section 11

Notification of acquisition of shares

Anyone who intends to, directly or indirectly, acquire shares of a stock exchange shall notify the Financial Supervisory Authority thereof in advance if, as a result of the acquisition, his or her holding:

- 1) would be equal to at least ten per cent of the share capital of the stock exchange;
- 2) would be such that it would correspond to at least ten per cent of the voting rights carried by all shares; or
- 3) would otherwise entitle him or her to exercise influence comparable to a holding referred to in paragraph 2 or otherwise significant influence over the management of the stock exchange.

If the purpose is to increase the holding to at least 20, 30 or 50 per cent of the share capital of the stock exchange or of the voting rights carried by the shares, the Financial Supervisory Authority shall be notified also of this acquisition in advance. A corresponding notification shall also be submitted if the holding would fall below the threshold referred to in this subsection or in subsection 1.

In calculating the portion of the holding and voting rights referred to in subsections 1 and 2, the provisions of chapter 2, section 4 and chapter 9, sections 4–6, 6a, 6b and 7 of the Securities Markets Act shall be applied.

A stock exchange shall notify the Financial Supervisory Authority at least one time annually of the holders of the holdings referred to in subsections 1 and 2 and their portions of the share capital of the stock exchange and of the voting rights carried by its shares, if they are known to the stock exchange. A stock exchange shall immediately notify the Financial Supervisory 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 Supervisory Authority.

The notification referred to in subsections 1 and 2 shall indicate the necessary information and accounts on:

- 1) the party liable to notify as well as his or her credibility and financial situation;
- 2) the holdings and other close links in the stock exchange of the party liable to notify;
- 3) acquisition contracts, the financing of the acquisition and, in a case referred to in subsection 2, the purpose of the holding.

The provisions of this section on the notification of acquisition of a holding in a stock exchange shall also apply to an organisation which has control in the stock exchange in the manner referred to in chapter 2, section 4 of the Securities Markets Act (*a stock-exchange holding company*).

Section 12

Prohibition of an acquisition of shares

The right of the Financial Supervisory Authority to prohibit the acquisition of a holding referred to in section 11 shall be governed by section 32a of the Act on the Financial Supervisory Authority (878/2008).

The Financial Supervisory Authority shall make the decision referred to in subsection 1 within three months from receipt of the notification referred to in section 11.

Prior to the termination of the period set in subsection 2, the party liable to notify may acquire the shares referred to in section 11 only if the Financial Supervisory Authority has consented thereto.

Section 13

Close link of a stock exchange

A close link between a stock exchange and another legal 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 third country applicable to a natural or legal person with such a link.

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

A close link shall in this section mean the close link referred to in Article 4, paragraph 1, subparagraph 38 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.

Section 14

Withdrawal of an authorisation

The Ministry of Finance may withdraw the authorisation of a stock exchange in full or in part if:

- 1) the activities of the stock exchange have involved a material breach of an Act or any provisions or regulations issued thereunder, the EU Markets in Financial Instruments Regulation or any provisions issued thereunder, the conditions of the authorisation or the rules of the stock exchange;
- 2) the regulated market has not been in operation for more than six months;
- 3) the material preconditions provided for the granting of the authorisation no longer exist;

4) the activities of the regulated market or a part thereof have not been started within 12 months from the granting of the authorisation; or

5) materially false or defective information on factors of central importance to the operation of the regulated market has been given when applying for the authorisation of the stock exchange.

The Ministry of Finance shall, prior to making a decision referred to in subsection 1, request an opinion of the Bank of Finland and the Financial Supervisory Authority unless otherwise required by the urgency of the matter. Prior to the withdrawal of the authorisation of a stock exchange on grounds referred to in subsection 1, paragraphs 1 or 3, the Ministry of Finance shall, prior to making the decision, set a reasonable period for the stock exchange for correcting the defects detected in the activities unless the immediate withdrawal of the authorisation is necessary due to the urgency of the matter or in order to safeguard the stable and reliable operation of the securities markets.

The Ministry of Finance may, on application by the stock exchange, withdraw the authorisation of the stock exchange if the stock exchange has decided to terminate the operation of a regulated market. Prior to making the decision, the Ministry of Finance shall request an opinion of the Bank of Finland and the Financial Supervisory Authority.

If the Ministry of Finance withdraws the authorisation of the stock exchange under subsection 1 or 3, the Ministry may simultaneously issue orders on the manner in which the activities shall be terminated. The Ministry of Finance shall notify the registration authority and the European Securities and Markets Authority of the withdrawal of the authorisation.

Section 15

Right of the Ministry of Finance to suspend the activities of a stock exchange

The Ministry of Finance may order that the stock-exchange activity be suspended for a specific period if incompetence or carelessness has been found in the activities of the regulated market or if the exchange of financial instruments admitted to trading has been disturbed and if it is likely that the continuing of the activities may seriously endanger the reliability and stability of the financial markets or the interests of the investors.

The Ministry of Finance shall, prior to making the decision referred to in subsection 1, hear the stock exchange as well as request an opinion of the Bank of Finland and the Financial Supervisory Authority unless otherwise required by the urgency of the matter.

Section 16

Fitness test of the management of a stock exchange

A member of the board of directors and the senior management shall be a reliable person of good repute who is not bankrupt or subject to a ban on business operations and whose capacity has not been otherwise restricted.

A person shall not be deemed reliable and of good repute if he or she has:

- 1) 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 that can be deemed to indicate that he or she is manifestly unsuitable to the task referred to in subsection 1; or if he or she has
- 2) otherwise by his or her earlier activity indicated that he or she is manifestly unsuitable to the task referred to in subsection 1.

The time period referred to in subsection 2, paragraph 1 shall be calculated from the date on which the judgment became final until the acceptance of the task. If the judgment has not become final, the sentenced person may, however, continue to exercise control belonging to a member of the management of a stock exchange if this is deemed well-founded when assessing, as a whole, his or her earlier actions, the conditions leading to the judgment and any other factors significant to the matter.

The stock exchange shall, without delay, notify the Financial Supervisory Authority of any changes relating to the persons referred to in subsection 1 as well as any other new information on the management of the stock exchange needed to assess whether the management meets the requirements referred to in sections 16–18. The provisions of this section on a stock exchange shall correspondingly apply to a stock-exchange holding company.

Section 17

Use of time of the management of a stock exchange

A member of the board of directors and the managing director shall commit sufficient time to perform their functions. In assessing the maximum number of other directorships held by a person at the same time, the individual circumstances as well as the nature, scope and complexity of the activities of the stock exchange shall be taken into account.

Section 18

Requirements relating to the composition and work of the management of a stock exchange

The management of a stock exchange shall possess sufficient and diverse knowledge and experience. The board of directors shall possess adequate knowledge, skills and experience of the business of the stock exchange and the related main risks. The stock exchange shall devote adequate resources to the induction of the members of the board of directors to their task.

The board of directors shall approve for the stock exchange a policy for promoting the diversity of the composition of the board of directors. The board of directors shall decide on a target for the stock exchange for equal gender representation in the board of directors as well as prepare a policy for meeting and maintaining the target.

An individual member of the board of directors shall act with independence of mind so that the board of directors can effectively challenge the decisions of the senior management as well as oversee and monitor its decision-making. The work of the board of directors shall be arranged so that an individual member of the board of directors or a minority of the members cannot dominate the decision-making of the board of directors incorrectly or contrary to the interests of the stock exchange.

The board of directors shall define for the stock exchange corporate governance arrangements that ensure effective and prudent management of the undertaking in a manner that reinforces confidence in the markets.

The board of directors and the managing director shall monitor compliance with the corporate governance arrangements referred to in subsection 4, periodically assess their effectiveness and take appropriate steps to address any deficiencies.

A member of the board of directors shall have adequate access to information and documents that he or she needs to fulfil his or her duties.

Section 19

Audit and the duty to submit copies of certain documents

At least one of the auditors of the stock exchange shall be a KHT auditor or a KHT audit firm, whose auditor with principal responsibility must be a KHT auditor.

The stock exchange shall, without undue delay, submit to the Financial Supervisory Authority a copy of:

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

The provisions of section 31 of the Act on the Financial Supervisory Authority on the duty to report of authorised supervised entities shall also apply to the auditors of the stock exchange.

Section 20

Transfer of the registered office of a stock exchange in the European Economic Area

If a stock exchange intends to transfer its register office to another EEA Member State as provided in Article 8 of the SE Regulation, the stock exchange shall submit to the Financial Supervisory Authority a copy of the transfer proposal referred to in Article 8, paragraph 2 and of the report referred to in paragraph 3 of the SE Regulation immediately after the stock exchange has declared the proposal 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 Supervisory Authority has notified the registration authority prior to the granting of the permission referred to in subsection 2 of said section that the stock exchange has not complied with the provisions on the transfer of the registered office or the termination of activities in Finland. The certificate may be issued 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 Supervisory Authority has notified that it does not oppose the transfer of the registered office.

Section 21

Participation of a stock exchange in a merger or demerger in the European Economic Area

If a stock exchange participates in a cross-border merger or cross-border demerger 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 demerger referred to in chapter 17, section 25 of the Limited Liability Companies Act if the Financial Supervisory Authority has notified the registration authority prior to the granting of the permission referred to in section 4, subsection 2 of the Act on European Companies that the stock exchange has not complied with the provisions on merger, demerger or the termination of activities 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 or in chapter 17, section 6, subsection 2 of the Limited Liability Companies Act only if the Financial Supervisory Authority has notified that it does not oppose the merger, demerger or transfer of the registered office relating to the establishment of an SE.

Chapter 3

Arrangement of the operation of a regulated market

Section 1

Organisational requirements of a regulated market

The activities of a stock exchange shall be arranged in a reliable manner, taking into account the nature and scope of its business. A stock exchange shall ensure the management of risks relating to its activities and the continuance of its activities in all circumstances.

A stock exchange shall have policies for identifying the conflicts of interest relating to stock-exchange activities and for their prevention and management. The policies shall especially take into account conflicts of interest that may affect the activities of the stock exchange or the reliable attendance to the supervisory duty provided for the stock exchange in section 2. The duties shall be differentiated in order to prevent conflicts of interest. The stock exchange shall also have transparent and non-discretionary rules and procedures that provide for orderly and fair trading as well as objective criteria for the efficient execution of orders.

The stock exchange shall ensure that the systems and arrangements it uses ensure the reliability and continuity of the trading system also in disruption situations. The stock exchange shall have to ensure that its trading systems are adequately resilient, have sufficient capacity to deal with peak order and message volumes and be able to ensure orderly trading under conditions of severe market stress. The stock exchange shall regularly apply stress tests to the operations of the trading system to meet the requirements described above.

In attending to its duties provided in this Act, its activities shall not be governed by the Administrative Procedure Act, the Act on the Openness of Government Activities (621/1999), the Language Act (423/2003) or the Sámi Language Act (1086/2003). A member of an administrative body of the stock exchange or an employee of the stock exchange shall not, in that case, be governed by the provisions of criminal public liability.

The provisions of subsection 1 on a stock exchange shall correspondingly apply to a stock exchange holding company.

An operator of a regulated market may not execute client orders against proprietary capital or to engage in matched principal trading on any of the regulated markets it operates.

Section 2

Supervisory duties of a stock exchange

A stock exchange shall have effective arrangements and procedures and the necessary resources for the monitoring of compliance in its activities with this Act, the Securities Markets Act and the provisions and regulations issued under these acts, with the EU Markets in Financial Instruments Regulation, the EU Market Abuse Regulation and Commission regulations or decisions issued on the basis of these or of the Markets in Financial Instruments Directive, and with the rules of the stock exchange.

The stock exchange shall inform the Financial Supervisory Authority, without undue delay, of:

- 1) a procedure which is likely to be in violation of the provisions or regulations referred to in subsection 1 or which materially infringes the rules of the stock exchange;
- 2) disorderly trading conditions;
- 3) a system disruption in relation to a financial instrument; or
- 4) conduct that may be in violation of the provisions of the EU Market Abuse Regulation.

The Financial Supervisory Authority shall communicate the information referred to in subsection 2 to the authorities of the EEA Member States corresponding to the Financial Supervisory Authority as well as to ESMA. In relation to a conduct referred to in subsection 2, paragraph 4, the notification shall, however, be made only if the Financial Supervisory Authority is convinced that the conduct in question is in violation of the provisions of the EU Market Abuse Regulation.

Section 3

Reporting of infringements

The stock exchange shall have effective procedures in compliance with which the employees of the stock exchange can report internally, through an independent channel, of suspected infringements of the rules and regulations relating to the financial markets. The reporting procedure shall include appropriate and adequate procedures for arranging the appropriate handling of the reports as well as for protecting the person who reports and for ensuring the protection of the personal data of the person who reports and the person subject to the report in compliance with the Personal Data Act (523/1999). The reporting procedure shall also include instructions for ensuring the protection

of the identity of the person who reports unless otherwise provided in the law on the right of authorities to obtain information to clarify an infringement or otherwise.

The stock exchange shall store the necessary information relating to the report referred to in subsection 1. The data shall be erased after five years from the filing of the report unless the storage of the data further is necessary in order to protect a criminal investigation, a pending trial, an investigation by the authorities or the rights of the person who reported or the person subject to the report. The need for storing the data further shall be re-evaluated at three-year intervals at the longest. An entry shall be made of the evaluation.

In addition to the provisions of the Personal Data Act, the registered person subject to the report referred to in subsection 1 shall not have the right of access to the data referred to in subsections 1 and 2 if providing access would hinder the investigation of the suspected infringements. The rights of the registered person subject to the report shall be provided in the Personal Data Act.

The Financial Supervisory Authority may issue further regulations on the submission of the reports referred to in subsection 1 and their handling in the stock exchange.

Section 4

Outsourcing of the activities of a stock exchange

Outsourcing means an arrangement relating to the activities of a stock exchange by which another service provider performs a function or service for the stock exchange that would otherwise be undertaken by the stock exchange itself.

A stock exchange may outsource a function significant to its activities that is other than the operation of a regulated market if the outsourcing does not impair the stock exchange's risk management, internal control or attendance to the business or to another function significant to its activities, or the supervision by the Financial Supervisory Authority. Irrespective of outsourcing, the stock exchange shall be responsible for discharging its obligations under this Act, the Securities Markets Act, the EU Markets in Financial Instruments Regulation, the EU Market Abuse Regulation and Commission regulations and decisions issued on the basis of these or of the Markets in Financial Instruments Directive or under it. The stock exchange shall exercise due diligence in outsourcing a function significant to its activities.

A function is significant with regard to the activities of a stock exchange if an error or deficiency in its performance may materially impair compliance with the acts relating to the activities of the stock exchange, the provisions or regulations issued thereunder or with the terms of the authorisation of the stock exchange or the financial position of the stock exchange or the continuance of the stock exchange activities.

A written agreement shall be drafted of the outsourcing of a significant operational function indicating the contents of the assignment and the period of validity of the agreement.

The stock exchange shall, on an ongoing basis, obtain from the party carrying out the outsourced function the necessary information required by the supervision by the authorities, risk management and internal control of the stock exchange and forward the information to the Financial Supervisory Authority.

Section 5

Notification of outsourcing

A stock exchange which, after the granting of the authorisation, intends to outsource a significant operational function shall notify the Financial Supervisory Authority of the outsourcing in advance. The Financial Supervisory Authority shall be notified of any significant changes in the contractual relationship between the stock exchange and the party carrying out the outsourced function.

Section 6

Minimum contents of the rules of a regulated market

A stock exchange shall draw up and keep available to the public rules of the regulated market containing regulations at least on the following:

- 1) the trading procedure;
- 2) the manner and grounds for the admission of a financial instrument to trading as well as the manner and grounds for the suspension or termination of trading in a financial instrument;

- 3) the obligations, rights and duties imposed on issuers of securities as well as on their management and corporate governance for the fulfilment of the duties based on this Act, the Securities Markets Act and the provisions and regulations issued thereunder as well as the stock exchange rules or otherwise;
- 4) the manner and grounds for the granting and withdrawal of the rights of a trading party;
- 5) the obligations arising from the professional standards imposed on the staff of the investment firms and credit institutions that are operating on the market;
- 6) the conditions for accepting other members than investment firms and credit institutions as trading parties;
- 7) the obligations, rights and duties imposed on trading parties for the fulfilment of the duties based on this Act and the provisions and regulations issued thereunder as well as the stock exchange rules or otherwise;
- 8) the sanctions that may be imposed on issuers of securities and the trading parties for breach of the stock exchange rules and the manner of their imposition;
- 9) if a derivatives contract is traded, its terms;
- 10) the obligations, rights and duties relating to the clearing and settlement of transactions.

Regulated markets may admit as trading parties investment firms, credit institutions authorised under Directive 2013/36/EU of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC and other persons who:

- 1) are of sufficiently good repute;
- 2) have a sufficient level of trading ability and competence and sufficient experience;

3) have, where applicable, adequate organisational arrangements; and

4) have sufficient resources for the role they perform, taking into account the different financial arrangements that the regulated market may have established in order to guarantee the adequate settlement of transactions.

Section 7

Confirmation of the stock exchange rules

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 regulations issued thereunder and if, on the basis of the account obtained, it can be deemed likely that they ensure reliable and equal trading.

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 matter. A 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 Supervisory Authority. If the decision relates to a derivative contract on electricity, natural gas or emission allowances, the opinion of the Energy Market Authority shall also be requested.

The Ministry of Finance may, in order to ensure the reliability and equality of 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, hear the stock exchange and request an opinion of the Financial Supervisory Authority on the matter.

The provisions of subsection 1 on the confirmation of any amendments to the rules shall not be applied if the amendments are of insignificant or technical nature. The stock exchange shall, however, inform the Ministry of Finance and the Financial Supervisory Authority of the amendments to the rules prior to their entry into force. In case of a dispute of whether the amendments to the stock exchange rules are of insignificant or technical nature, the Ministry of Finance shall decide the issue.

Section 8

Admission of a financial instrument to trading on a regulated market

Upon application of the issuer, the stock exchange may admit to trading on a regulated market 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 stock exchange may admit to trading on a regulated market a security 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 trading on another regulated market. The rules of the stock exchange may not impose disclosure obligations on such issuer. The stock exchange shall notify the issuer of the admission of a security to trading prior to the commencement of trading.

The stock exchange may admit a derivative contract to trading on a regulated market if its price formation is reliable and if the derivative contract may be settled in a reliable manner.

The other conditions under which a stock exchange may admit a financial instrument to trading on a regulated market shall be laid down in a Commission regulation issued under the Markets in Financial Instruments Directive. The prospectuses to be published of the securities applied to be admitted to trading on a regulated market shall be provided in chapters 3–5 of the Securities Markets Act.

The obligation of the stock exchange to notify the Financial Supervisory Authority of a financial instrument for which a request for admission to trading on their trading venue is made or which is admitted to trading or which is traded for the first time shall be governed by Article 4 of the Market Abuse Regulation. If a share which is not admitted to trading on another regulated market is admitted to trading, the stock exchange shall simultaneously notify the Financial Supervisory Authority of the estimates on said share required in Article 2, paragraph 1, subparagraph 17 of the EU Markets in Financial Instruments Regulation.

The Financial Supervisory Authority may order that the admission of a financial instrument to trading on a regulated market be suspended for a maximum of ten consecutive banking days at a time. The suspension may be ordered if the Financial Supervisory has reasonable grounds to suspect that the party applying for the admission to trading of a financial instrument or anyone

commissioned to apply for admission to trading acts in violation of this Act, the Securities Markets Act or the provisions or regulations issued thereunder. Prior to issuing the order, the Financial Supervisory Authority shall reserve the party to the decision a possibility to be heard unless otherwise provided by the urgency of the matter or for other special reasons.

Section 9

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 8, subsections 1 and 4 and of this section. The requirements necessary to implement the Stock-Exchange Listing Directive, whereby a stock exchange may admit a security to stock exchange listing as well as the exemption to be granted therefrom, shall be provided 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 stock exchange listing only if a share of the same class as the share to which the security entitles has been or is being admitted to trading on a regulated market operated by the stock exchange.

The issuer of the security shall apply for the admission to stock exchange listing of shares of the same class as shares in stock exchange listing within one year from their issue, unless the issuer has consented to the stock exchange admitting them to stock exchange listing without a separate application.

An issuer shall apply for the simultaneous admission to stock exchange listing of securities referred to in chapter 2, section 1, subsection 1, paragraphs 2 and 3 of the Securities Markets Act 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 stock exchange listing of a security within six months from receipt of the application. If the stock exchange requests from the

applicant an additional account on the application during this period, 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.

The 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 Supervisory Authority within 30 days from the decision or from the termination of the set period referred to in subsection 6.

Section 10

Keeping a stock exchange listing

A stock exchange may keep a stock exchange listing referred to in the Stock-Exchange Listing Directive of securities it has admitted to trading on a regulated market.

Section 11

Suspension or removal from trading

A stock exchange may suspend or remove a financial instrument from trading if the financial instrument or the issuer of the financial instrument no longer fulfils the requirements of the stock exchange rules or if it is otherwise necessary due to a practice contrary to the provisions and regulations issued on stock exchange activity, the stock exchange rules or fair practice.

The stock exchange may suspend or remove a financial instrument from trading under corresponding conditions also on application by the issuer of the financial instrument.

The stock exchange may, however, not suspend or remove a financial instrument from trading if this would be likely to cause significant damage to the investors or the orderly functioning of the financial markets.

The stock exchange shall suspend or remove a derivative contract relating to a financial instrument from trading if the measure is necessary to support the objectives of the decision referred to in subsection 1. The stock exchange shall also suspend trading in electricity or natural gas based derivative contracts if the trading endangers the supply of electricity or natural gas or is

detrimental to the electricity or natural gas market or if the operation of an electricity or natural gas system has been disturbed for some other serious reason referred to in the rules of the stock exchange.

The Financial Supervisory Authority shall order suspension or removal from trading on another regulated market, MTF or OTF operating in Finland or order the systematic internaliser to suspend or remove the same financial instrument or a related derivative contract from trading if the reason for the suspension or removal is:

1) suspected market abuse;

2) a public take-over bid; or

3) the non-disclosure of inside information about the issuer or the financial instrument in accordance with Articles 7 and 17 of the EU Market Abuse Regulation.

The stock exchange may request the Financial Supervisory Authority to confirm the decision to suspend trading referred to in subsection 1, 2 or 4. The Financial Supervisory Authority shall, upon receipt of such a request, without undue delay, decide whether it confirms the decision of the stock exchange to suspend trading. If the Financial Supervisory Authority decides not to confirm the decision of the stock exchange, the stock exchange shall, without undue delay, continue trading in the financial instrument.

The issuer of a financial instrument admitted to trading on the stock exchange shall have the right to refer the decision of the stock exchange referred to in subsection 1 or 4 to be handled by the Financial Supervisory Authority within 30 days from the decision. A registered association acting for the supervision of the interests of the investors and a bondholder representative appointed for the bond in question and referred to in the Act on Bondholder Representatives (574/2017), if the meeting of the bondholders has so decided, as well as an investor who owns said financial instruments or financial instruments entitling thereto shall have the right to refer the decision of the stock exchange referred to in subsection 1 or 2 to be handled by the Financial Supervisory Authority within 30 days from the decision. The Financial Supervisory shall notify the stock exchange of the referral of the issue to be handled by it. The decision of the stock exchange to remove from trading may, despite the referral of the issue to be handled by the Financial

Supervisory Authority, be enforced unless the Financial Supervisory Authority or an appeal authority otherwise decides.

The stock exchange shall immediately make public the decision on suspension or removal from trading or on the continuance of trading in a financial instrument. In addition, the stock exchange shall notify the Financial Supervisory Authority of the decision and, if the decision relates to a derivative contract referred to in the second sentence of subsection 4, the Energy Market Authority.

The obligation of the stock exchange to notify the Financial Supervisory Authority when a financial instrument ceases to be traded or to be admitted to trading shall be governed by Article 4 of the Market Abuse Regulation.

Section 12

Powers of the Financial Supervisory Authority to suspend or prohibit trading in a financial instrument or remove a financial instrument from trading

Notwithstanding the provisions of section 11, the Financial Supervisory Authority may order a stock exchange to suspend trading in a financial instrument or remove a financial instrument from trading, or may prohibit a stock exchange from organising trading in a financial instrument, if the trading, the disclosure obligation relating to the financial instrument or the fulfilment of the disclosure obligation relating to the admission to trading are carried out materially in violation of this Act or the Securities Markets Act or the provisions and regulations issued under them, or the EU Markets in Financial Instruments Regulation or the EU Market Abuse Regulation or Commission regulations or decisions issued on the basis of these or of the Markets in Financial Instruments Directive, or the rules of the stock exchange, or if there is another very serious reason for doing so.

The prohibition cannot, however, be ordered if it causes significant damage to the investors or the orderly functioning of the financial market. The Financial Supervisory Authority shall, prior to making the decision, hear the stock exchange unless otherwise provided by the urgency of the matter or by another special reason.

Section 13

Duties of the Financial Supervisory Authority and its disclosure obligation to the European Securities and Markets Authority

The Financial Supervisory Authority shall make public its decisions based on sections 11 and 12.

The Financial Supervisory Authority shall notify the European Securities and Markets Authority and the competent authorities of other EEA Member States corresponding to the Financial Supervisory Authority of a decision based on section 11 or 12.

In case of a decision referred to in section 11, subsection 4, the Financial Supervisory Authority shall, where necessary, also notify the Energy Market Authority of the decision.

If a competent authority of an EEA Member State corresponding to the Financial Supervisory Authority has notified the Financial Supervisory Authority that it has suspended or removed a financial instrument from trading on a regulated market and the same financial instrument or a derivative contract related thereto is traded on the stock exchange or on an MTF or OTF or via a systematic internaliser in Finland, the Financial Supervisory Authority shall prohibit the trading for the duration of the suspension or order it removed. The prohibition cannot, however, be ordered if it causes significant damage to the investors or the orderly functioning of the financial market.

Section 14

Removal of a security from stock exchange listing

The removal of a security from stock exchange listing shall be governed by the provisions of section 11 on the removal from trading.

An issuer of a security shall have the right to refer the decision of the stock exchange on the removal from listing and the decision of the stock exchange made on the application by the issuer not to remove a security from stock exchange listing to be handled by the Financial Supervisory Authority within 30 days from the decision. A registered association acting for the supervision of

the interests of investors and a bondholder representative appointed for the bond in question, if the meeting of the bondholders has so decided, as well as an investor who owns said securities or securities entitling thereto shall have the right to refer the decision of the stock exchange on the removal from listing to be handled by the Financial Supervisory Authority within 30 days from the decision. The Financial Supervisory shall notify the stock exchange of the referral of the issue to be handled by it.

Section 15

Rights of a trading party

A stock exchange shall grant the rights of a trading party to a Finnish investment service provider and an investment service provider authorised correspondingly in another EEA Member State which fulfils the requirements laid down in the law and in the stock exchange rules.

The rights of a trading party shall be granted to another person whose domicile is in an EEA Member State if the person fulfils the requirements laid down in the stock exchange rules and if, on the basis of an account received on the reliability, good repute, experience and other suitability of the person as well as on the arrangement of activities or otherwise, it is likely that the participation of the person in trading does not endanger the reliability of trading. The person shall, in addition, have adequate financial and other resources for fulfilling the obligations arising from transactions in financial instruments.

The stock exchange may grant the rights of a trading party also to a party other than the foreign investment service provider or another person referred to in subsections 1 and 2 if the applicant fulfils the requirements laid down in the law, the regulations of the Financial Supervisory Authority and the stock exchange rules.

In addition to the provisions of the stock exchange rules referred to in section 6 on the withdrawal of the rights of a trading party, the stock exchange shall withdraw the rights of a trading party for a set period or until further notice if the Financial Supervisory Authority, by its decision, so requires on serious grounds. The Financial Supervisory Authority shall, prior to making the decision, hear the stock exchange and the trading party unless otherwise provided by the urgency of the matter or for other special reasons.

The stock exchange shall notify the Financial Supervisory Authority of the granting and withdrawal of the rights of a trading party as well as annually provide a list of trading parties.

A person referred to in subsections 1–3 whose rights of a trading party have been withdrawn shall have the right to refer the decision of the stock exchange to withdraw the rights of a trading party referred to in section 6, subsection 1, paragraph 4 to be handled by the Financial Supervisory Authority within 30 days from the decision. The Financial Supervisory shall notify the stock exchange of the referral of the issue to be handled by it. The decision of the stock exchange to withdraw the rights of a trading party may, despite the referral of the issue to be handled by the Financial Supervisory Authority, be enforced unless otherwise decided by the Financial Supervisory Authority or an appeal authority.

Section 16

Restriction on short selling

The right of the Financial Supervisory Authority to impose temporary restrictions on the short selling of a financial instrument in the case of a significant decline in its price shall be governed by Article 23 of the short selling regulation.

Section 17

Agreement on market making

A stock exchange shall draw up a written agreement on market making with a trading party pursuing a market making strategy on a regulated market. The stock exchange shall ensure that a sufficient number of trading parties can participate in the agreement where this is appropriate taking into account the nature and scale of the trading.

The agreement referred to in subsection 1 shall agree at least on:

- 1) firm quotes;
- 2) the provision of liquidity and the other obligations relating to the participation in the scheme of the stock exchange;

3) any rebates or other incentives for providing liquidity as well as on other rights accruing as a result of participation in the scheme of the stock exchange.

The stock exchange shall enforce compliance by the investment firm with the agreement referred to in this section.

The stock exchange shall inform the Financial Supervisory Authority about the content of the agreement and provide it with the other necessary information without undue delay.

Section 18

Algorithmic trading

A stock exchange shall have in place effective systems and internal procedures:

- 1) to ensure that algorithmic trading is tested by the trading parties of the stock exchange;
- 2) to prevent and manage disorderly trading arising from algorithmic trading systems.

The stock exchange shall ensure that the rules on its co-location services are transparent, fair and non-discriminatory.

The stock exchange shall ensure that it can identify orders of a trading party generated by algorithmic trading, the algorithms used for their creation and the relevant persons responsible for the orders. The stock exchange shall, on request, submit the information to the Financial Supervisory Authority without undue delay.

Section 19

Direct electronic access to the market

A stock exchange may allow that an investment firm or a credit institution that participates in trading may provide direct electronic access to a client. Direct electronic access to the market means an arrangement where a trading party permits a client to use its trading code so that the client can electronically transmit orders relating to a financial instrument directly to the trading venue.

The stock exchange shall ensure that appropriate criteria are applied to clients who have direct electronic access to its systems.

The trading party of the stock exchange shall retain responsibility for the order and trade executed using the direct electronic access.

The stock exchange shall have a system and internal procedures with which it is able to distinguish and, if necessary, to stop orders or trading by a person using direct electronic access and to suspend or terminate the provision of direct electronic access by a trading party in the case of non-compliance with the provisions of this section by the trading party or its client.

Section 20

Tick sizes

A stock exchange shall adopt appropriate tick size regimes in financial instruments. In the regime, the stock exchange shall take into account the liquidity profile of the financial instrument in different markets and the average bid-ask spread as well as adapt the tick size for each financial instrument.

Section 21

Synchronisation of business clocks

All trading venues and their trading parties shall synchronise their business clocks used to record the date and time of any reportable event.

Section 22

Short-term suspension of trading

A stock exchange shall have a system and internal procedures to avoid significant disruptions to trading and which are sufficient to:

- 1) temporarily halt or constrain trading if there is a significant price movement in the financial instrument on the regulated market or a related market during a short period;

2) cancel, vary or correct trading or another transaction.

The stock exchange shall ensure that the parameters for halting trading are calibrated in a way that takes into account:

1) the liquidity of different asset classes;

2) the nature of the market model;

3) the types of the users of the market model.

The stock exchange shall inform the Financial Supervisory Authority of the parameters for halting and any material changes therein without undue delay. The Financial Supervisory Authority shall forward the information to the European Securities and Markets Authority.

The stock exchange shall notify the Financial Supervisory Authority of the suspension of trading if, in terms of liquidity, the stock exchange is a material regulated market for said financial instrument. The Financial Supervisory Authority shall notify the competent authorities of the suspension.

Section 23

Rejection of orders

A stock exchange shall have systems and procedures to reject an order that exceeds the pre-determined volume and price thresholds or is clearly erroneous.

Section 24

Settlement of transactions

The stock exchange shall arrange the clearing and settlement of transactions executed on a regulated market in an appropriate manner. The parties to the stock exchange shall have direct and non-discriminatory access to the settlement systems of transactions.

If the stock exchange uses a central counterparty referred to in the Act on the Book-Entry System and Settlement Activities for the settlement of transactions, the stock exchange, the central securities depository referred to in said Act and the central counterparty shall arrange their cooperation so that the integrity of trading or the stability of the financial market is not endangered.

The stock exchange shall notify the Ministry of Finance, the Bank of Finland and the Financial Supervisory Authority well in advance of any changes in the arrangements relating to the settlement of transactions. The Financial Supervisory Authority may forbid the stock exchange from using a central counterparty or central securities depository in another EEA Member State for the settlement of transactions if its use is likely to endanger the integrity of trading or the stability of the financial markets.

The obligation of the stock exchange to use a central counterparty for the settlement of derivative trades is laid down in Article 29 of the EU Markets in Financial Instruments Regulation.

Section 25

Right of a trading party to designate a central securities depository

For the settlement of transactions, a trading party shall have the right to use also a central securities depository other than the central securities depository used by the stock exchange to realise the obligations arising from transactions executed on a regulated market if the cooperation between the stock exchange and said central securities depositories is arranged so that the integrity of trading or the stability of the financial markets is not endangered.

If a trading party intends to exercise the right in accordance with subsection 1, the stock exchange in question, the Bank of Finland and the Financial Supervisory Authority shall be notified thereof in advance. The notification shall present an account of the co-operation agreements ensuring the integrity of trading and the stability of the financial markets.

The Financial Supervisory Authority may forbid a trading party from using another central securities depository referred to in subsection 1 for the settlement of transactions if its use is likely to endanger the integrity of trading or the stability of the financial markets.

Section 26

Position limits and position management control in commodity derivatives

A stock exchange shall have appropriate systems and procedures that enable the constraint of trading in commodity derivatives as well as in emission allowances and their derivatives and access to information on such trading from the trading parties as well as the trading management control on transparent and non-discriminatory grounds.

The stock exchange may require a trading party to reduce a position in a financial instrument traded on a temporary or permanent basis as well as terminate positions in financial instruments or sell financial instruments at an agreed price and volume to increase liquidity in the market.

If the trading party fails to comply with the requirement of the stock exchange referred to in subsection 2, the stock exchange may take the necessary action referred to in the subsection on behalf of the trading party.

The stock exchange shall submit to the Financial Supervisory Authority adequate information on the systems and procedures referred to in subsection 1.

Section 27

Access of the Financial Supervisory Authority to the information in the order book

The stock exchange shall make available to the Financial Supervisory Authority, on its request, the information in the order book without undue delay.

Section 28

Trading fees

The fees imposed by a stock exchange shall be fair and non-discriminatory. The stock exchange shall ensure that information on the fee structures are available to the public.

The stock exchange may impose higher fees:

- 1) for orders that are subsequently cancelled;
- 2) on trading parties placing a high ratio of cancelled orders;
- 3) on trading parties operating a high-frequency algorithmic trading technique.

If the stock exchange grants trading rebates, it shall, in exchange, impose market making obligations on the individual share or a suitable basket of shares.

The fees may not create incentives for the execution of orders or transactions so that this contributes to disorderly trading conditions or preconditions for market abuse.

Section 29

Obligation to file an insider notification

An insider of a stock exchange shall declare the information on shares and financial instruments, the value of which is determined on the basis of said shares, admitted to trading on a regulated market or on an MTF in Finland, to the insider register of a stock exchange referred to in section 31 as provided in section 30, hereinafter *an insider notification*.

An *insider of a stock exchange* means:

- 1) a member or deputy member of the Board of Director or the Supervisory Board, the Managing Director and Deputy Managing Director of a stock exchange as well as an auditor, deputy auditor or an employee of an audit firm with main responsibility for the audit of the company;
- 2) another person employed by a stock exchange who, as part of his or her position or duties, has regular access to insider information relating to the shares or financial instruments referred to in subsection 1.

Section 30

Insider notification

An insider of a stock exchange shall submit an insider notification within fourteen days from the date on which he or she was appointed to the duty referred to in section 29, subsection 2.

The insider notification shall state:

- 1) any person without legal capacity for whom the insider is guardian;
- 2) any organisation or foundation in which the insider or the person without legal capacity referred to in subsection 1 exercises direct or indirect control;
- 3) the shares admitted to trading on a regulated market or on an MTF in Finland held by the insider himself or herself as well as by the person without legal capacity referred to in subsection 2 and the organisation or foundation referred to in subsection 2 and financial instruments, the value of which is determined on the basis of said shares.

An insider shall, while performing his or her duties, within seven days, declare to the stock exchange:

- 1) acquisitions and disposals of shares and financial instruments referred to in subsection 2, paragraph 3 when the change in the holding is at least EUR 5,000;
- 2) other changes in the information referred to in this section.

The information referred to in subsection 2, paragraphs 2 and 3 need not be declared insofar as they relate to a limited liability housing company, a limited liability joint-stock property company referred to in chapter 28, section 2 of the Limited Liability Housing Companies Act (1599/2009), a voluntary association or an economic association or a non-profit association. If an association trades in financial instruments on a regular basis, information relating thereto shall, however, be declared.

The declaration shall contain the information necessary to individualise the person, organisation or foundation in question as well as information relating to the shares and other financial instruments.

If the shares or financial instruments referred to in subsection 2, paragraph 3 have been incorporated in the book-entry system, the stock exchange may make an arrangement through which the information is available from the book-entry system. In that case, no separate declarations need be submitted.

Section 31

Insider register of a stock exchange

A stock exchange shall keep a register of the insider notifications referred to in section 30 (*an insider register of a stock exchange*), indicating, with regard to each insider, the shares and financial instruments referred to in section 29, subsection 2 held by the insider, the minor referred to in paragraph 1 and the organisation or foundation referred to in paragraph 2 as well as an itemization of the acquisitions and disposals.

If the declarations are submitted in accordance with section 30, subsection 6, the insider register of a stock exchange may, for that part, be formed from the information available from the book-entry system.

The maintenance of the insider register of a stock exchange shall be arranged in a reliable manner. Information entered in the register shall be kept for five years from the making of the entry. Anyone shall have the right to get extracts and copies of the information in the register against costs. The personal identity code and address of a natural person as well as the name of a natural person other than an insider shall, however, not be public.

Section 32

Activities of a stock exchange in another EEA Member State

A stock exchange which intends to provide an investment service provider or another person established in another EEA Member State with a direct possibility to trade on a regulated market, shall notify the Financial Supervisory Authority thereof well in advance. The notification shall contain further information on the place and the manner in which the possibility to trade is intended to be provided.

The Financial Supervisory Authority shall, within one month from receipt of the notification, communicate the information it has received to the competent authority corresponding to the

Financial Supervisory Authority of the EEA Member State in which the investment service provider or other persons to whom the stock exchange intends to provide the direct possibility to trade are established.

The Financial Supervisory Authority shall, on request of the competent authority of an EEA Member State corresponding to the Financial Supervisory Authority, notify this authority of the investment service provider or other person to whom the stock exchange has granted the rights of a trading party.

The provisions of subsections 1–3 shall correspondingly apply to an MTF and an OTF operated by a stock exchange.

Section 33

Notifications to other EEA Member States and the European Securities and Markets Authority

The Ministry of Finance shall, in accordance with the Markets in Financial Instruments Directive, keep a list of all regulated markets for which rules have been confirmed in accordance with this Act. The Ministry of Finance shall notify the other EEA Member States and the European Securities and Markets Authority of the list if, upon confirmation of the rules, it has been possible to ensure that trading on the regulated market meets the requirements laid down for the notification. Any changes made in the list shall be notified in the same manner.

The Financial Supervisory Authority shall at least one time annually submit calculations and information relating to shares admitted to trading on a regulated market to the European Securities and Markets Authority in compliance with the Markets in Financial Instruments Directive.

Section 34

Marketing

A regulated market may not be marketed by issuing untruthful or misleading information or by using a practice that is contrary to good practice or otherwise unfair.

Any information, the untruthful or misleading nature of which is indicated after its presentation and which may be of material significance to the investor, shall, without delay, be corrected and supplemented in an adequate manner.

Section 35

Trading calendar

The Financial Supervisory Authority shall, on its internet website, publish a calendar of the trading days of the regulated market operated by the stock exchange.

Section 36

Financial Supervisory Authority's power to issue regulations

The Finnish Supervisory Authority may issue more detailed regulations on:

- 1) the risk management referred to in section 1 in regard to the operating risks of a stock exchange;
- 2) the prerequisites under section 4 for outsourcing a function of a stock exchange and on the content of the notification referred to in section 5;
- 3) the contents and the manner of filing of the insider notification referred to in section 30;
- 4) the contents of and the manner of entering information in the insider register referred to in section 31.

The Financial Supervisory Authority shall issue more detailed regulations on the preconditions under which a stock exchange may grant a foreign investment-service provider or another person referred to in section 15, subsection 3 the rights of a trading party. The regulations shall ensure the Financial Supervisory Authority adequate access to information on the clients of the trading party.

Chapter 4

Operation of a foreign stock exchange in Finland

Section 1

Stock exchange of another EEA Member State

Before an operator of a market corresponding to a stock exchange and authorised in another EEA Member State may provide an investment service provider or another person established in Finland a direct possibility to trade on a regulated market, the competent authority of the State that has granted its authorisation shall notify the Financial Supervisory Authority thereof.

The provisions of subsection 1 shall correspondingly apply to an MTF and an OTF operated by an operator of trading.

Section 2

Third-country stock exchange

An operator of a market corresponding to a stock exchange and authorised in a third country may, by permission of the Ministry of Finance, provide an investment service provider or another person established in Finland a direct possibility to participate in trading corresponding to a regulated market.

Section 3

Permit application of a third-country stock exchange

The permit application referred to in section 2 shall be appended with a business plan and adequate accounts regarding the third-country stock exchange on its:

- 1) ownership;
- 2) management and auditors;
- 3) internal control and risk management;

- 4) handling of possible conflicts of interest and close links;
- 5) financial operating conditions;
- 6) the legislation and supervision of the securities markets of the home State.

Section 4

Granting a permit to a third-country stock exchange

The Ministry of Finance may grant the permit referred to in section 2 to a third-country stock exchange, if:

- 1) the legislation applicable to the third-country stock exchange in its home State corresponds to internationally accepted recommendations on the supervision of the securities markets and the prevention of criminal abuse of the financial system;
- 2) the financial operating conditions, internal control and risk management, their handling of possible conflicts of interest and close links as well as the suitability and reliability of the owners and the management of the third-country stock exchange do not materially derogate from the requirements of this Act;
- 3) the third-country stock exchange is subject to adequate supervision in its home State;
- 4) the activities carried out do not endanger the interests of investors in Finland.

Prior to granting the permit, the third-country authority liable for the supervision of the activities of the stock exchange in its home State and the Financial Supervisory Authority shall sign a supervision record referred to in section 66 of the Act on the Financial Supervisory Authority on the supervision of the third-country stock exchange.

When granting the permit, the Ministry of Finance may, after hearing the permit applicant, set restrictions and conditions relating to the activity that are necessary with regard to the reliability of trading or the stability of the financial markets.

The Ministry of Finance shall, prior to deciding the issue, request an opinion of the authority supervising the activities of the third-country stock exchange in its home State, the Bank of Finland and the Financial Supervisory Authority.

Section 5

Withdrawal of the permit as well as suspension of activities

The withdrawal of a permit granted to a third-country stock exchange and the suspension of activities carried out in Finland of said stock exchange shall correspondingly be governed by the provisions of chapter 2, section 14 on the withdrawal of the authorisation of a stock exchange and of chapter 2, section 15 on the suspension of stock exchange activity.

In addition to the provisions of chapter 2, section 14, subsection 2 and chapter 2, section 15, subsection 2, the Ministry of Finance shall, prior to making the decision referred to in subsection 1, reserve the authority supervising the activities of the third-country stock exchange in its home State a possibility to be heard unless otherwise required by the urgency of the matter.

Section 6

Trading operator maintaining trading corresponding to an MTF or an OTF in a third country

The provisions of sections 2–5 on a third-country stock exchange, the permit application of a third-country stock exchange, the granting of a permit to a third-country stock exchange as well as on the withdrawal of the permit and suspension of activities shall correspondingly apply to an operator of trading maintaining trading corresponding to an MTF or an OTF in a third country.

Chapter 5

Requirements applicable to a multilateral trading facility and an organised trading facility

General requirements applicable to an MTF and an OTF

Section 1

Right to operate an MTF and an OTF

In accordance with this chapter, only a stock exchange, an investment firm and a branch of a third-country undertaking referred to in the act on investment services as well as a credit institution and a branch of a third-country credit institution which operates an MTF in Finland may operate an MTF and an OTF.

The provisions of chapter 3, sections 12–14, 16, 22, 26 and 27 on a stock exchange or a regulated market shall also apply to an MTF and an OTF as well as to their operators.

The provisions of chapter 2, sections 15–18 on a stock exchange and a member of its management body and its employee shall correspondingly apply to an operator of multilateral trading as well as a member of its management body and its employee when the operator of a multilateral trading carries out the duties provided therefor in this Act.

The provisions of chapter 3, section 3 on reporting on infringements shall also apply to an operator of multilateral and organised trading.

In addition to the provisions of chapter 7, section 2, subsections 2–5, section 5, subsection 1, section 7, subsections 1, 3 and 4, section 10, subsection 3, chapter 7a, chapter 9, sections 1 and 4, section 4a, subsection 3 as well as of chapter 10, sections 11 and 12 on the arrangement of the activities of an investment firm shall also apply to an operator of multilateral and organised trading.

In the operations of an MTF and when operating on an MTF, it is prohibited to act contrary to good practice in the securities markets as provided for in chapter 1, section 2 of the Securities Markets Act.

Section 2

Rules of an MTF or an OTF

Transparent rules shall be drawn up for multilateral and organised trading facilities regarding the criteria for determining the financial instruments that can be traded under their systems and

procedures to ensure fair and orderly trading. Objective criteria shall be complied with in the trading system for the efficient execution of orders. The sound management of the technical operations of the facility shall have to be ensured and the facility shall have effective contingency arrangements to cope with the risks of system disruption.

An operator of multilateral or organised 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 financial instrument to trading;
- 2) the trading procedure;
- 3) the manner and grounds for the granting and withdrawal of the rights of a trading party;
- 4) the rights and obligations imposed on the trading parties;
- 5) the sanctions that may be imposed on trading parties for breach of the rules and the manner of their imposition.

If the operator of multilateral or organised trading maintains a multilateral or organised trading facility where a security is admitted to trading on application by the issuer of the security, the rules shall, in addition to the provisions of subsection 1, provide for:

- 1) the obligations, 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 regulations issued thereunder as well as the rules of the MTF or otherwise;
- 2) the manner and procedure for the publication of the information on a security and its issuer;
- 3) the manner for drawing up and publication of the information on the security and its issuer if the prospectus referred to in chapters 3–5 of the Securities Markets Act need not be published on the security;

4) the sanctions that may be imposed on issuers of securities for breach of the rules and the manner of their imposition.

The operator of multilateral or organised trading shall submit the rules and any amendments thereto to the Financial Supervisory Authority well in advance of their entry into force. The Financial Supervisory Authority shall supervise that the rules meet the requirements provided in subsections 1 and 2.

Section 3

Disclosure obligation of an operator of trading

The operator of multilateral and organised trading shall disclose adequate information on a financial instrument admitted to trading or otherwise ensure the availability of information to the public so that the trading parties can make an informed assessment of the financial instrument. In the disclosure of information, the users of the information and the particularities of the financial instrument shall be taken into account.

Section 4

Management of conflicts of interest and reliability of systems

The operators of multilateral or organised trading shall have adequate systems and procedures to identify and manage conflicts of interest that may have adverse consequences for the orderly operation of the trading facility, the trading parties and the users, and may endanger the continuity of the facility.

The operator of multilateral or organised trading shall comply with the provisions of chapter 3, section 1, subsection 4 as well as of sections 11, 17–20, 23 and 29 of this Act on arrangement of operation, systems resilience, circuit breakers and electronic trading, and it shall have in place all the necessary effective systems, procedures and arrangements to do so.

Section 5

Admission of a financial instrument to trading

An operator of multilateral or organised trading may admit a financial instrument to trading, the availability of information relating to which may be safeguarded in the manner referred to in section 3. A security may not be admitted to trading on application by the issuer unless there is sufficient information available on the security and its issuer for the arrangement of reliable trading.

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

An issuer of a security shall conclude a written agreement with the operator of multilateral or organised trading on the admission to trading of a security where the issuer undertakes to comply with the rules referred to in section 2, subsection 2.

If a security is admitted to trading without the consent of the issuer, the issuer may not be made subject to a disclosure obligation in the rules of the multilateral or organised trading facility. When a security admitted to trading on a regulated market is also traded on a multilateral or organised trading facility without the consent of the issuer, the issuer shall not be under an obligation to publish financial information thereon in the primary market or on a continuous or ad hoc basis on the multilateral or organised trading facility.

The obligation of an operator of multilateral or organised trading to notify the Financial Supervisory Authority of any financial instrument for which a request for admission to trading on their trading venue is made or which is admitted to trading or which is traded for the first time, shall be governed by Article 4 of the Market Abuse Regulation.

Section 6

Access as a trading party

Operators of multilateral and organised trading shall establish, publish and maintain as well as implement transparent and non-discriminatory rules, based on objective criteria, governing access to their facilities.

Section 7**Ensuring the soundness and continuity of the operation of a trading facility**

Adequate arrangements shall be maintained for a multilateral or organised trading facility to ensure the sound operation of the trading facility as well as effective contingency arrangements to ensure the continuity of the trading facility and cope with risks of systems disruption.

Section 8**Settlement of transactions**

The operator of multilateral and organised trading shall make proper arrangements for the settlement of transactions concluded on the multilateral and organised trading facility and inform the trading parties of their responsibilities for the settlement of the transactions executed in the trading facility.

If the operator of multilateral trading uses a central counterparty referred to in the Act on the Book-Entry System and Clearing Operations for the settlement of transactions, the operator of trading, the central securities depository and the central counterparty referred to in said Act shall arrange their cooperation so that the integrity of trading or the stability of the financial markets is not endangered.

The operator of multilateral trading shall notify the Ministry of Finance, the Bank of Finland and the Financial Supervisory Authority well in advance of any changes in the arrangements relating to the settlement of transactions. The Financial Supervisory Authority may forbid the operator of multilateral trading from using a central counterparty, another clearing house or a central securities depository in another EEA Member State for the settlement of transactions if its use is likely to endanger the integrity of trading or the stability of the financial markets.

Section 9**Minimum number of trading parties**

Multilateral and organised trading facilities shall have at least three materially active trading parties, each having the opportunity to interact with the others in respect to price formation of the financial instrument.

Section 10

Position limits and position management control in commodity derivatives

The provisions of chapter 3, section 26 on position limits and the position management control in commodity derivatives shall also apply to an operator of a multilateral or organised trading.

Section 11

Suspension, removal and prohibition of trading

The provisions of chapter 3, sections 11–13 on the suspension, removal and prohibition of trading on a regulated market shall also apply to multilateral and organised trading facilities.

An investment firm operating an MTF or an OTF and a market operator shall, without delay, comply with the instructions issued by the Financial Supervisory Authority issued in accordance with chapter 3, section 13 of this Act on the suspension or removal of a financial instrument from trading.

Section 12

Restriction on short selling

The right of the Financial Supervisory Authority to impose temporary restrictions on the short selling of a financial instrument in case of a significant decline in its price shall be governed by Article 23 of the short selling regulation.

Section 13

Supervisory duties of an operator of trading

Operators of multilateral and organised trading facilities shall arrange, with adequate resources, reliable supervision to ensure compliance in trading with this Act, the Securities Markets Act and the provisions and regulations issued under these acts, with the EU Markets in Financial

Instruments Regulation, the EU Market Abuse Regulation and Commission regulations or decisions issued on the basis of these or of the Markets in Financial Instruments Directive, and the rules of the multilateral trading facility. It shall, with adequate efficiency, monitor the orders sent, cancelled and undertaken.

Operators of multilateral and organised trading shall inform the Financial Supervisory Authority without delay of any procedure entailing a significant infringement of the provisions referred to in subsection 1 or of the rules of the multilateral or organised trading facility, concerning disorderly trading conditions, system disruptions relating to a financial instrument or conduct that may be suspected of being in violation of the EU Market Abuse Regulation or causing disruptions in relation to a financial instrument or to the entire market.

The Financial Supervisory Authority shall communicate the information obtained under subsection 2 to the European Securities and Markets Authority and the competent authorities of other EEA Member States. Conduct that may involve procedures in violation of the Market Abuse Regulation shall, however, be notified only if the Financial Supervisory Authority is convinced that the conduct violates the provisions of the EU Market Abuse Regulation.

Prevention and detection of market abuse shall be governed by Article 16, paragraph 1 of the EU Market Abuse Regulation.

Section 14

Obligation to disclose to the Financial Supervisory Authority

An operator of a multilateral or organised trading facility shall disclose to the Financial Supervisory Authority adequate information on the functioning of the trading facility, any links to another multilateral system or to a systematic internaliser owned by the same operator as well as information on the owners, parties and users of the trading facility.

Section 15

Obligation of the Financial Supervisory Authority to disclose to the European Securities and Markets Authority

The Financial Supervisory Authority shall disclose to the European Securities and Markets Authority the authorisation granted to an operator of a multilateral or organised trading facility and, on request of the European Securities and Markets Authority, the information obtained under chapter 3, section 3 on the basis of its supervision.

Section 16

Suspension of activities

The Ministry of Finance may order the operator of multilateral or organised trading to suspend the activities of an MTF or an OTF for a specific period if incompetence or carelessness has been found in the activities of the operator of multilateral or organised trading or if the exchange of financial instruments admitted to trading has been disturbed and if it is likely that the continuing of the activities may seriously endanger the reliability and stability of the financial markets or the position of the investors.

The Ministry of Finance shall, prior to making the decision referred to in subsection 1, hear the operator of multilateral or organised trading as well as request an opinion of the Bank of Finland and the Financial Supervisory Authority unless otherwise required by the urgency of the matter.

Section 17

Marketing

A multilateral or organised trading facility may not be marketed by issuing untruthful or misleading information or by using a practice that is contrary to good practice or otherwise unfair.

Any information, the untruthful or misleading nature of which is indicated after its presentation and which may be of material significance to the investor, shall, without delay, be corrected and supplemented in an adequate manner.

Section 18

Authority to issue regulations of the Financial Supervisory Authority

The Financial Supervisory Authority shall issue more detailed regulations on the preconditions under which an operator of multilateral or organised trading may grant a person referred to in

chapter 3, section 6, subsection 2 the rights of a trading party. The regulations shall ensure the Financial Supervisory Authority adequate access to information on the clients of the trading party.

Specific requirements applicable to an MTF

Section 19

Operation of multilateral trading

An investment firm and a market operator operating multilateral trading shall, in addition to complying with the provisions of chapter 7, section 2, subsections 2–5, section 5, subsection 1, section 7, subsections 1, 3 and 4, section 10, subsection 3, chapter 7a and of chapter 9, sections 1 and 4 and section 4a, subsection 3 as well as of chapter 10, sections 11 and 12 and fulfilling the requirements set in this Act, establish and implement non-discretionary rules for the execution of orders in the system.

The rules governing access to an MTF shall fulfil the requirements set in chapter 3, section 15 of this Act.

Section 20

Reliability of functions

An investment firm and a market operator operating an MTF shall ensure that it has:

- 1) sufficient capacities to manage the risks to which it is exposed, to implement appropriate arrangements and systems to identify all significant risks to its operation, and to put in place effective measures to mitigate those risks;
- 2) functional arrangements to facilitate the efficient and timely finalisation of the transactions executed under its systems, and
- 3) at the time of the authorisation and on an ongoing basis, sufficient financial resources to facilitate its orderly functioning, having regard to the nature and extent of the transactions concluded on the market and the range and degree of the risks to which it is exposed.

Procedures in accordance with chapter 10, sections 2 and 4–9 of the Act on Investment Services shall not be applied to transactions concluded under the rules of an MTF between its members or parties or transactions concluded between the multilateral trading facility and its members or parties. The members or parties of an MTF shall, however, comply with the obligations provided in chapter 10, sections 2 and 4–9 of the Act on Investment Services with respect to their clients when they execute client orders on their behalf through the systems of an MTF.

Section 21

Client orders

An investment firm or a market operator operating an MTF may not execute client orders against proprietary capital or to engage in matched principal trading.

Specific requirements relating to an OTF

Section 22

Prohibition to execute trades on own account or on account of an entity that is part of the same group

An operator of organised trading shall prevent the execution of client orders in an OTF on the own account of the operator or on account of an entity that is part of the same group or against its proprietary capital.

The provisions of subsection 1 shall, however, not apply to trading on its own account against client orders in matched principal trading if the client has consented thereto and the target of the trade is not a derivative that is subject to the clearing obligation referred to in Article 5 of Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories.

An operator of organised trading may otherwise execute a trade on its own account other than as matched principal trading referred to in subsection 2 only in bonds issued by the State for which there is not a liquid market.

Section 23

Restriction on permitting matched principal trading

An operator of an OTF may execute an order in matched principal trading only in financial instruments which, in accordance with the definition in chapter 1, section 2, subsection 1, paragraph 11 of the Act, can be traded on an OTF and only where the principal, who gave the order, has consented thereto.

Section 24

Separation of organised trading and a systematic internaliser

The same legal person may not act both as an operator of an OTF and as a systematic internaliser. An OTF may not have a connection with a systematic internaliser which enables the orders on an OTF and orders or quotes in a systematic internaliser to interact. An OTF may not have a connection with another organised trading facility which enables the orders of the different organised trading facilities to interact.

Section 25

Use of an independent market maker

An operator of organised trading may engage another investment service provider as an independent market maker of a financial instrument subject to trading in the trading facility. An investment service provided shall not be deemed independent if it has close links with the operator of trading.

Section 26

Execution of orders on a discretionary basis

Taking into consideration the provisions of sections 1–18 and chapter 10, section 8 of the Act on Investment Services on trading in a multilateral system and the execution of trades with due diligence, the execution of orders in organised trading shall be carried out on a discretionary basis. The operator of organised trading may exercise discretion in either or both of the following circumstances:

1) when deciding to place or retract an order on the organised trading facility it operates;

2) when deciding not to match a specific client order with other orders in the systems at a given time, provided it is in compliance with specific instructions from a client and the obligations in accordance with chapter 10, section 8 of the Act on Investment Services.

An investment firm or market operator operating an OTF may, with regard to the system that matches client orders, decide whether it wants to match at least two orders in the system and when and how many it matches. In accordance with the provisions of sections 22–25, an investment firm or a market operator operating an OTF may, with regard to a system that arranges transactions in non-equities, facilitate negotiation between clients so as to bring together at least two potentially compatible trading interests in a transaction, without prejudice to the application of section 22, subsection 3.

Section 27

Obligation to disclose to the Financial Supervisory Authority

An operator of organised trading shall disclose to the Financial Supervisory Authority adequate information on the exercise of discretion in the execution of orders and on the manner in which most orders are matched in trading.

The competent authority may, either when an investment firm or market operator requests to be authorised for the operation of an OTF or on an ad hoc basis, require a detailed explanation for why the system does not correspond to and cannot operate as a regulated market, an MTF or systematic internaliser, as well as a detailed description as to how discretion will be exercised, in particular when an order to the organised trading facility may be retracted and when and how two or more client orders will be matched within the organised trading facility. In addition, the investment firm or market operator operating an OTF shall provide the competent authority with information explaining its use of matched principal trading. The competent authority shall monitor an investment firm's and market operator's engagement in matched principal trading to ensure that it continues to fall within the definition of such trading and that its engagement in matched principal trading does not give rise to conflicts of interest between the investment firm or market operator and its client.

Section 28

Application of the provisions on client protection of the Act on Investment Services to organised trading

An operator of organised trading shall ensure that the transactions executed in the trading facility are governed by the provisions of chapter 10, sections 2 and 4–9.

Chapter 6 SME growth markets

Section 1 Registration of an SME growth market

The operator of an MTF may apply for the registration of an MTF as an SME growth market from the Financial Supervisory Authority.

The Financial Supervisory Authority shall accede to the request if the Financial Supervisory Authority is satisfied that the application complies with the requirements set in this chapter.

Section 2 Requirements set on an SME growth market

The operator of an SME growth market shall have adequate and effective systems and rules which ensure that the following requirements are met:

- 1) at least 50 % of the issuers whose securities are admitted to trading on the SME are SMEs. The share shall be met at the time of the application and annually thereafter at the end of each calendar year;
- 2) adequate and appropriate criteria apply to the initial and ongoing admission to trading of a financial instrument;
- 3) on initial admission to trading of a financial instrument, sufficient information is published thereon to enable investors to make an informed judgment about whether or not to invest in the

financial instrument; notwithstanding the provisions of chapters 3–5 of the Securities Markets Act or elsewhere in the law, a prospectus shall be published of the financial instruments;

4) the issuer is subject to an adequate and appropriate ongoing disclosure obligation and an obligation to publish information;

5) the issuer, its management and persons closely associated with them are governed by the EU Market Abuse Regulation;

6) the information published under the periodic or other statutory disclosure obligation or disclosure obligation based on the rules of the trading facility of the issuer shall be stored;

7) the trading facility shall maintain adequate and effective controls aiming to detect and prevent market abuse referred to in the EU Market Abuse Regulation on the trading facility.

The operation of an SME growth market shall otherwise be governed by the provisions of this Act on the operation of an MTF.

Section 3

Obligation of the Financial Supervisory Authority to deregister an SME growth market

The Financial Supervisory Authority shall deregister an SME growth market on application of the operator of the trading facility or if the operator or the SME growth market no longer fulfils the requirements of section 2.

Section 4

Obligation of the Financial Supervisory Authority to disclose to the European Securities and Markets Authority

The Financial Supervisory Authority shall, without delay, notify the European Securities and Markets Authority of the decision to register an SME growth market as well as of its deregistration.

Section 5

Trading on another SME growth market

A financial instrument traded on one SME growth market may be admitted to trading on another SME growth market if the issuer has been informed thereof and it has not objected. The issuer shall not be subject to any disclosure or corporate governance obligations with regard to the latter.

TITLE III

TRANSPARENCY OF TRADING AND DATA REPORTING SERVICES

Chapter 7

Transparency requirements in respect of financial instruments

Section 1

The EU Markets in Financial Instruments Regulation

In addition to the provisions of this chapter, the transparency requirements in respect of financial instruments are laid down in Titles II–IV of the EU Markets in Financial Instruments Regulation.

Section 2

Obligation to disclose of a systematic internaliser

An investment service provider who intends to commence or terminate activities as a systematic internaliser in a financial instrument admitted to trading on a trading venue shall notify the Financial Supervisory Authority thereof in writing well in advance.

The provisions of subsection 1 on an investment service provider shall also be applied to a foreign EEA branch.

Section 3

Suspension and prohibition of systematic internalisation

The Financial Supervisory Authority may order a systematic internaliser to suspend internalisation in a financial instrument for a maximum of ten consecutive banking days at a time. A suspension may be ordered if the Financial Supervisory Authority has reasonable grounds to suspect that the

trading or compliance with the disclosure obligation relating to the financial instrument is carried out materially in violation of this Act, the Securities Markets Act or the provisions or regulations issued thereunder or if there are other very serious grounds thereto.

The Financial Supervisory Authority may forbid the systematic internaliser from operating systematic internalising in a financial instrument if the trading or compliance with the disclosure obligation relating to the financial instrument is carried out materially in violation of this Act, the Securities Markets Act or the provisions or regulations issued thereunder or if there are other very serious grounds thereto.

If the Financial Supervisory Authority has, in accordance with chapter 2, section 31, subsection 4, confirmed the decision of the stock exchange to suspend trading in a financial instrument or, in accordance with chapter 3, section 11, subsection 6, ordered the stock exchange to suspend trading in the financial instrument and the financial instrument is subject to systematic internalisation, the systematic internaliser shall suspend systematic internalisation in said financial instrument.

The provisions of this section on suspension and removal of a financial instrument from trading shall also apply to a derivative contract relating to the financial instrument where this is necessary to support the goals of the suspension or removal from trading of the financial instrument referred to in subsection 1.

Section 4

Obligation to disclose limit orders

An investment service provider who, under prevailing market conditions, cannot immediately execute an order of a client to buy or sell a share admitted to trading on a regulated market at a price limit set by a client or at a better price 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. The investment service provider shall, however, not be under an obligation to disclose if the client expressly instructs otherwise.

The investment service provided shall be deemed to have disclosed the order in the manner referred to in subsection 1 at least if the investment service provider has transmitted it to be published on a trading venue.

The Financial Supervisory Authority shall have the right to grant a permission to derogate from the obligation to disclose a limit order when it is large in scale compared with normal market size as determined under Article 4 of the EU Markets in Financial Instruments Regulation.

This section shall not be applied to transactions between trading parties of a stock exchange when the transaction is executed on a regulated market. Nor shall this section be applied to transactions between the trading parties of an MTF nor between the operator of multilateral trading and the trading parties when the transaction is executed on an MTF.

Section 5

Execution of an order on a trading venue

With regard to financial instruments subject to the trading obligation laid down in Articles 23 and 28 of the EU Markets in Financial Instruments Regulation, trading venues and systematic internalisers shall make available to the public, without any charge, data relating to the quality of the execution of transactions on the venue in question on at least an annual basis.

The provisions of subsection 1 on a trading venue shall be applied to the execution venue of transactions with regard to financial instruments other than those referred to in subsection 1.

After the execution of an order on behalf of a client, the investment firm shall inform the client where the order was executed. The periodic reports shall include details about the price, costs, speed and likelihood of execution for individual financial instruments.

Section 6

Information on commodity derivatives and emission allowances

A stock exchange, an operator of multilateral trading and an operator of organised trading shall, in accordance with the categorisation provided in section 7, weekly make public information on the aggregate positions for the commodity derivatives or emission allowances and their derivatives

admitted to trading on the trading venue operated by it. The information referred to in this subsection shall also be communicated to the Financial Supervisory Authority and to ESMA.

The information listed in subsection 1 shall be made public and communicated to the authorities only if both the number of persons and their open positions exceed the minimum thresholds laid down in the Commission Delegated Regulation

A stock exchange, an operator of multilateral trading and an operator of organised trading shall daily submit to the Financial Supervisory Authority a complete breakdown of the positions for the commodity derivatives, emission allowances and their derivatives admitted to trading on the trading venue operated by it held by each member, trading party, client or their client on that trading venue.

The members or trading parties of regulated markets and MTFs and the clients of OTFs shall, at least on a daily basis, report to the investment firm or market operator operating the trading venue the details of their own positions held through contracts traded on that trading venue as well as those of their clients and the clients of those clients until the end client is reached.

An investment firm trading in commodity derivatives, emission allowances or their derivatives outside a trading venue shall, on a daily basis, provide the competent authority of the trading venue or the central competent authority with a complete breakdown of its commodity positions, emission allowance positions as well as positions relating to derivatives thereof and to economically equivalent OTC contracts as well as those positions held by their clients and the clients of those clients until the end client is reached.

Section 7

Classification of parties

A stock exchange, an operator of multilateral trading and an operator of organised trading shall classify those holding positions in a commodity derivative or emission allowance or a derivative thereof as follows:

- 1) an investment firm or a credit institution;

- 2) an investment fund, either an undertaking for collective investments in transferable securities as defined in Directive 2009/65/EC of the European Parliament and of the Council on the coordination of laws regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) or an alternative investment fund as defined in Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010.;
- 3) another financial institution;
- 4) another commercial undertaking;
- 5) an operator in accordance with the Emissions Trading Act (311/2011).

Section 8

Authority of the Financial Supervisory Authority to issue regulations

The Financial Supervisory Authority may issue further regulations on the contents of the notification referred to in section 2 as well as on the quality, scope and manner of publication as well as the availability of the information on commodity derivatives, emission allowances and of their derivatives referred to in section 6.

Chapter 8

Right to provide data reporting services

Section 1

Requirement for authorisation of the provision of data reporting services

Only an undertaking authorised in accordance with this chapter as well as a foreign EEA data reporting services provider may act as a data reporting services provider.

Section 2

Provision of data reporting services under another authorisation

Notwithstanding the provisions of section 1, data reporting services may be provided by a stock exchange as well as by an investment firm operating a trading venue as provided in chapter 2, section 3 provided that the service provider meets the requirements provided in section 14 –16 and chapter 9 on the operation of such activity.

Prior to the commencement of the service provision referred to in subsection 1, the Financial Supervisory Authority shall ensure that the service provider meets the requirements set in subsection 1 on the service provision. The right to the provision of data reporting services shall be included in the authorisation of the service provider.

Section 3

Application for an authorisation

The Financial Supervisory Authority shall grant the authorisation for the provision of data reporting services on application.

The application shall be appended with the contact information of the data reporting services provider as well as with:

- 1) information on the applicant and the ownership of the data reporting services provider;
- 2) information on the management and auditors;
- 3) a description of the internal control and risk management;
- 4) information on the financial operating conditions;
- 5) information on compliance with the requirements relating to the arrangement of operations provided in this Act as well as a programme of operations setting out at least the types of services planned and the organisation structure.

Section 4

Decision on the authorisation

The decision on the authorisation and the appeal relating thereto shall be governed by the provisions of chapter 3, section 2, subsection 1 of the Act on Investment Services on the decision on the authorisation of an investment firm.

The authorisation shall state the data reporting services for which the data reporting services provider is authorised. After the granting of the authorisation, the Financial Supervisory Authority may, on application by the data reporting services provider, amend the authorisation with regard to the services referred to therein.

The Financial Supervisory Authority shall, after hearing the applicant for the authorisation, have the right to include in the authorisation restrictions and conditions relating to the provision of data reporting services and necessary for the supervision.

Section 5

Preconditions for the granting of an authorisation

An authorisation for the provision of data reporting services shall be granted to a Finnish limited liability company if, on the basis of an account received, it is possible to ensure that the owners of the company meet the requirements provided in section 6 and if the company meets the requirements on the operations provided in sections 13–16 and chapter 9.

The authorisation for the provision of data reporting services may also be granted to a company being established before its registration.

Section 6

Reliability of the relevant owners of the data reporting services provider

Anyone who directly or indirectly holds at least ten per cent of the share capital of a data reporting service provider or a portion that produces at least 10 per cent of the votes carried by its shares shall be reliable.

A person shall not be deemed reliable if he or she has:

1) 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 that can be deemed to indicate that he or she is manifestly unsuitable to own a data reporting services provider; or

2) otherwise by his or her earlier activity indicated that he or she is manifestly unsuitable to own a data reporting services provider.

The time period referred to in subsection 2, paragraph 1 shall be calculated from the date on which the judgment became final until the acceptance of the task. If the judgment referred to in subsection 2, paragraph 1 has not become final, the sentenced person may, however, continue to exercise control in the services provider belonging to the owner of a data reporting services provider if this is deemed well-founded when assessing, as a whole, his or her earlier actions, the conditions leading to the judgment and any other factors significant to the matter.

Section 7

Notification on relevant changes

The data reporting services provider shall notify the Financial Supervisory Authority of any relevant changes in the preconditions of the granting of an authorisation prior to their implementation.

Section 8

Authorisation to a European company

An authorisation shall also be granted to an SE referred to in the SE Regulation which has been granted a corresponding authorisation in another EEA Member State and which intends to transfer its registered office to Finland in accordance with Article 8 of the Regulation. The Financial Supervisory Authority shall request a statement on the application from the authority of the home State of the SE supervising the securities markets and corresponding to the Financial Supervisory Authority. The same shall apply to the establishment of an SE by merger so that the receiving company whose registered office is in another State shall be registered as an SE in Finland.

Section 9

Registration of the authorisation

The Financial Supervisory Authority shall report the authorisation of the data reporting services provider for registration in the Trade Register as well as notify ESMA thereof.

An authorisation granted to a data reporting services provider to be established and an SE transferring its registered office to Finland shall be registered simultaneously with the registration of the undertaking.

Section 10

Reporting service register

The Financial Supervisory Authority shall keep a public register of data reporting services providers containing information on the services for which the data reporting services provider is authorised.

Section 11

Commencement of activities

Unless otherwise provided by the conditions of the authorisation, a data reporting services provider may commence its activities immediately after the authorisation has been granted or, if the authorisation was granted to a company to be established, after the data reporting services provider has been registered.

Section 12

Withdrawal of authorisation and restriction on operations

The withdrawal of an authorisation and the restriction of activities shall be provided in sections 26 and 27 of the Act on the Financial Supervisory Authority. The Financial Supervisory Authority shall notify the withdrawal of authorisation for registration as well as for information to ESMA.

Section 13

Minimum capital

A data reporting services provider shall have:

- 1) a share capital of at least EUR 50,000;

2) indemnity insurance in force in all EEA Member States to compensate the claims for which the data reporting services provider is liable under this Act, in which case the amount of the insurance shall be at least EUR 1,000,000 for a claim and in aggregate EUR 1,500,000 per year for all claims; or

3) a combination of the share capital referred to in paragraph 1 and the indemnity insurance referred to in paragraph 2 so that it covers the level of liability required in paragraph 1 or 2.

The share capital shall be fully subscribed upon granting the authorisation.

Section 14

Reliability and competence requirements of the management of the data reporting services provider and its holding company

Members of the management body of a data reporting services provider shall be reliable persons of good repute who are not bankrupt or subject to a ban on business operations and whose capacity has not been otherwise restricted.

The provisions of section 6, subsections 2 and 3 on the reliability of relevant owners shall correspondingly be applied to a member of the management body of the data reporting services provider.

The management of a data reporting services provider shall possess sufficient and diverse knowledge and experience. The board of directors shall possess collective knowledge, skills and experience of the business activities of the data reporting services provider.

If a stock exchange wants to provide data reporting services and if a member of the board of directors of the data reporting services provider is also a member of the board of directors of the stock exchange who meets the requirements provided in chapter 2, section 16, said member shall be deemed to meet the requirements provided in subsection 1.

The data reporting services provider shall notify the Financial Supervisory Authority, without delay, of any changes in the persons referred to in subsection 1 and relating to the requirements set thereon.

The provisions of this section on a data reporting services provider shall correspondingly apply to its holding company.

Section 15

Requirements relating to the work of the board of directors of a data reporting services provider

A member of the board of directors and the managing director shall commit sufficient time to perform the functions provided in this Act and otherwise belonging to them.

A member of the board of directors shall act with independence of mind so that the board of directors can effectively challenge the decisions of the senior management as well as oversee and monitor its decision-making.

The board of directors shall define for the data reporting services provider corporate governance arrangements, such as the segregation of duties in the organisation and the prevention of conflicts in a manner that they ensure effective and prudent management of the undertaking in a manner that reinforces confidence in the markets and the interests of the clients. The board of directors shall oversee compliance with the corporate governance arrangements.

Section 16

Close links of a data reporting services provider

A close link between a data reporting services provider and another legal or natural person may not prevent the effective supervision of the data reporting services provider. Nor may efficient supervision be prevented by the provisions and administrative provisions of a third country applicable to a natural or a legal person with such a link.

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

A close link referred to in subsection 1 shall mean that provided in chapter 7 section 4 of the Act on Investment Services.

Section 17

Audit

In addition to the provisions elsewhere in the law, a data reporting services provider shall be governed by the provisions of chapter 12, section 13, subsections 1, 3 and 4, section 14 and section 15, subsection 1 of the Act on Credit Institutions on the audit and auditors of a credit institution as well as on the ordering of a special audit and the appointment of a special auditor.

Correspondingly, the provisions of section 31 of the Act on the Financial Supervisory Authority on the duty to report of authorised supervised entities shall also apply to the auditors of the data reporting services provider.

Section 18

Notification of acquisition of shares

Anyone who intends to acquire, directly or indirectly, shares of a data reporting services provider shall notify the Financial Supervisory Authority of this in advance if, as a result of the acquisition, his or her holding:

- 1) would be equal to at least ten per cent of the share capital of the data reporting services provider;
- 2) would be such that it would correspond to at least ten per cent of the voting rights carried by all the shares; or

3) would otherwise entitle him or her to exercise influence comparable to a holding referred to in paragraph 2, or otherwise significant influence, over the management of the data reporting services provider.

If the intention is to increase the holding to at least 20, 30 or 50 per cent of the share capital of the data reporting services provider or of the voting rights carried by the shares, the Financial Supervisory Authority shall also be notified in advance of this acquisition. A corresponding notification shall also be submitted if the holding would fall below the threshold referred to in this subsection or in subsection 1.

In calculating the portion of the holding and voting rights referred to in subsections 1 and 2, the provisions of chapter 2, section 4 and chapter 9, sections 4–6, 6a, 6b and 7 of the Securities Markets Act will apply.

A data reporting services provider shall notify the Financial Supervisory Authority at least once annually of the holders of the holdings referred to in subsections 1 and 2 and their portions of the share capital of the data reporting services provider and of the voting rights carried by its shares, if they are known to the data reporting services provider. A data reporting services provider shall immediately notify the Financial Supervisory Authority of any changes that have come to its attention regarding the ownership of holdings. The notification shall include sufficient information on the size of a holding and on its holder as well as other information determined by the Financial Supervisory Authority.

The notification referred to in subsections 1 and 2 shall indicate the necessary information and documentation on:

- 1) the party liable to notify as well as his or her credibility and financial situation;
- 2) the holdings and other interests in the data reporting services provider of the party liable to notify;
- 3) the acquisition contracts, the financing of the acquisition and, in a case referred to in subsection 2 above, the purpose of the holding.

The provisions of this section on the notification of acquisition of a holding in a data reporting services provider also apply to an organisation which exercises control in the data reporting services provider in the manner referred to in chapter 2, section 4 of the Securities Markets Act (data reporting services provider holding company).

Section 19

Prohibition of an acquisition of shares

Provisions on the right of the Financial Supervisory Authority to prohibit the acquisition of a holding as referred to in section 18 are laid down in section 32a of the Act on the Financial Supervisory Authority.

The Financial Supervisory Authority shall make the decision referred to in subsection 1 within three months from receipt of the notification referred to in section 11.

Prior to the termination of the period laid down in subsection 2, the party liable to notify may acquire the shares referred to in section 11 only if the Financial Supervisory Authority has given its consent to this.

Chapter 9

Organisational requirements of a data reporting services provider

Section 1

Arrangement of operations of an APA provider

An APA provider shall arrange its operations so that it can make public the information referred to in Articles 20 and 21 of the EU Markets in Financial Instruments Regulation on a reasonable commercial basis as close to real time as is technically possible. The information shall be made available free of charge 15 minutes after its publication. The information shall be disseminated in a way that ensures fast access to the information on a non-discriminatory basis and the consolidation of the information with similar data from other providers shall be possible.

An APA provider shall make public at least:

- 1) the identifier of the financial instrument;
- 2) the price at which the transaction was concluded;
- 3) the volume of the transaction;
- 4) the time of the transaction;
- 5) the time the transaction was reported;
- 6) the price notation of the transaction;
- 7) the code for the trading venue or the code of the systematic internaliser ("SI") or otherwise the code ("OTC"); and
- 8) if applicable, an indicator that the transaction was subject to special conditions.

The APA provider shall have systems in place so that it can effectively check trade reports for completeness, identify omissions and obvious errors as well as request the re-transmission of any such erroneous reports.

Section 2

Arrangements to prevent conflicts of interest in APA provision

An APA provider shall have administrative arrangements designed to prevent conflicts of interest with its clients. If the APA provider is an investment firm or a stock exchange, it shall treat all information on trading collected in a non-discriminatory fashion as well as separate different business functions.

Section 3

Security mechanisms in APA

An APA provider shall have in place mechanisms designed to guarantee the security of the means of transfer of information and prevent the corruption and unauthorised access to information to be published as well as prevent information leakage before publication. An APA provider shall also

have adequate resources and back-up facilities in place in order to ensure the continuity of its operations.

Section 4

Arrangement of operations of a CTP

A CTP shall arrange its operations so that it can collect information referred to in Articles 6 and 20 of the EU Markets in Financial Instruments Regulation and consolidate it into a continuous electronic stream as well as make it available to the public on a reasonable commercial basis as close to real time as is technically possible. The information shall be made available free of charge 15 minutes after its publication. The information shall be disseminated in a way that ensures fast access to the information on a non-discriminatory basis and in a format that is easily utilisable for market participants.

The CTP referred to in subsection 1 shall make public at least:

- 1) the identifier of the financial instrument;
- 2) the price at which the transaction was concluded;
- 3) the volume of the transaction;
- 4) the time of the transaction;
- 5) the time the transaction was reported;
- 6) the price notation of the transaction;
- 7) the code for the trading venue or the code of the systematic internaliser ("SI") or otherwise the code ("OTC");

8) if applicable, an indicator that a computer algorithm executed the investment decision and transaction in the investment firm;

9) if applicable, an indicator that the trade was subject to special conditions; and

10) if applicable, an indicator to show a waiver referred to in Article 4, paragraph 1, subparagraphs a and b of the EU Markets in Financial Instruments Regulation to the obligation to make public the information referred to in Article 3, paragraph 1.

A CTP shall arrange its operations so that it can collect information referred to in Articles 10 and 21 of the EU Markets in Financial Instruments Regulation and consolidate it into a continuous electronic stream as well as make it available to the public on a reasonable commercial basis as close to real time as is technically possible. The information shall be made available free of charge 15 minutes after its publication. The information shall be disseminated in a way that ensures fast access to the information on a non-discriminatory basis. The information shall be interoperable and in a format that it is easily utilisable for market participants.

The CTP referred to in subsection 3 shall publish at least the information referred to in subsection 2, paragraphs 1–7 as well as, if applicable, an indicator that the trade was subject to special conditions.

The CTP shall collect the information from trading venues as well as from APA providers. The information shall be collected of financial instruments defined in the technical standards referred to in Article 65, paragraph 3 of the Markets in Financial Instruments Directive issued by a regulation or decision of the European Commission.

Section 5

Arrangements to prevent conflicts of interest in CTP

A CTP shall have administrative arrangements designed to prevent conflicts of interest. If a market operator or an APA provider provides also consolidated tape, it shall treat all information collected in a non-discriminatory fashion as well as separate different business functions.

Section 6

Security mechanisms of consolidated tape

A CTP shall have in place mechanisms designed to guarantee the security of the means of transfer of information and prevent the corruption and unauthorised access to the information to be published. A CTP shall also have adequate resources and back-up facilities in place in order to ensure the continuity of its operations.

Section 7

Arrangement of operations of an ARM provider

An ARM provider shall arrange its operations so that the information referred to in Article 26 of the EU Markets in Financial Instruments Regulation can be reported as quickly as possible and no later than the close of the working day following the day of the execution of the transaction.

An ARM provider shall have adequate arrangements in place to effectively check transaction reports for completeness, identify omissions and obvious errors caused by an investment firm and where such error or omission occurs, to communicate details thereof to the investment firm as well as request re-transmission of any erroneous reports.

An ARM shall also have systems in place to detect and correct any errors or omissions caused by itself and to communicate correct and complete transaction reports to the Financial Supervisory Authority.

Section 8

Arrangements to prevent conflicts of interest in ARM provision

An ARM provider shall have administrative arrangements designed to prevent conflicts of interest with its clients. If the ARM provider is an investment firm or a market operator, it shall treat all information on transactions collected in a non-discriminatory fashion as well as separate different business functions.

Section 9

Security mechanisms in ARM

An ARM provider shall have in place mechanisms designed to guarantee the security and authentication of the means of transfer of information and to prevent the corruption and unauthorised access to the information to be published as well as to prevent information leakage before publication. An ARM provider shall also have adequate resources and back-up facilities in place in order to ensure the continuity of its operations.

Section 10

Reporting of infringements

The provisions of chapter 3, section 3 on the reporting of infringements shall correspondingly apply to an ARM provider.

TITLE IV

MISCELLANEOUS PROVISIONS

Chapter 10

Supervision, secrecy obligation and special powers

Section 1

Supervision

Compliance with this Act, the provisions and regulations issued thereunder as well as with the rules of a stock exchange confirmed under this Act shall be supervised by the Financial Supervisory Authority.

Section 2

Secrecy obligation

Anyone who in attending to the tasks referred to in this Act or as a member or a deputy member of a body or a functionary of a stock exchange has obtained information on an unpublished fact concerning the financial position or private circumstance of an issuer of a security or of another person or a business secret may not 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 obligation has been provided consents to the disclosure. (709/2018)

Notwithstanding the provisions of subsection 1, a member or 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 operating trading in another State corresponding to a stock exchange 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 Supervisory Authority to submit information shall be governed by the Act on the Financial Supervisory Authority.

Section 3

Special powers relating to commodity derivatives

The Financial Supervisory Authority shall set position limits (thresholds) for commodity derivatives traded on a regulated market, on an MTF or on an OTF or to derivatives that are economically equivalent to such commodity derivatives and it may require that a supervised entity referred to in section 4 of the Act on the Financial Supervisory Authority, another operator on the financial markets referred to in section 5 of said act and another person applies the position limit, reduces his or her holding or the size of the position in the financial instruments referred to in this section as well as forbids their acquisition.

The position limit referred to in subsection 1 shall be set on each commodity derivatives position at the highest net value allowed in accordance with the methodology for calculation established in Commission Delegated Regulation (EU) 2017/591 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory standards for the application of position limits to commodity derivatives. The Financial Supervisory Authority shall review position limits on a regular basis and it shall, where necessary, set a new position limit which takes into account the market development.

The provisions of this section on position limits shall not be applied to the positions of a non-financial entity or to positions held on behalf of that entity defined in the regulation referred to in subsection 2 which reduce the risks directly relating to the commercial activity of the entity.

The Financial Supervisory Authority shall submit to ESMA and other competent authorities sufficient information relating to the position limits set under this section and any changes therein as well as to the orders and limitations issued under subsection 1. If ESMA, after being notified of the setting of a position limit, requires that the position limit be modified, the Financial Supervisory Authority shall comply with the instruction of ESMA unless the Financial Supervisory Authority deems it unfounded.

If a financial instrument referred to in subsection 1 is traded in more than one EEA State and in significant volumes in Finland, the Financial Supervisory Authority shall set a single position limit to be applied to all trading in the financial instrument. Before making the decision referred to in this subsection, the Financial Supervisory Authority shall hear and act in cooperation with the competent authorities of the States having powers over the markets on which the financial instruments referred to in the subsection are traded.

ESMA shall settle any disputes arising from the setting of a single position limit referred to in subsection 5 between competent authorities in accordance with its powers under Article 19 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC.

Section 4

Special powers of ESMA

The right of ESMA to obtain information on commodity derivatives as well as its power to limit trading in them shall be provided in Article 45 of the EU Markets in Financial Instruments Regulation.

Chapter 11

Appeal

Section 1

Appeal against a decision of the Ministry of Finance

Appeal against a decision made by the Ministry of Finance under this Act may be lodged with Helsinki Administrative Court. Appeal against a decision of the Administrative Court shall be governed by the provisions of the Administrative Judicial Procedure Act (586/1996).

If a decision referred to in chapter 2, section 4 on the granting of an authorisation entitling to carry out stock exchange activity or the decision referred to in chapter 3, section 7, subsection 1 on the confirmation of stock exchange rules or their amendments is not issued within the period laid down, the applicant may lodge an appeal. The appeal shall, in that case, be deemed to concern a decision rejecting the application. Such appeal 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 lodging of the appeal. In other respects, the lodging of an appeal and its handling shall be governed by the Administrative Judicial Procedure Act.

Section 2

Appeal against a decision of the Financial Supervisory Authority

Appeal against a decision made by the Financial Supervisory Authority under this Act shall be governed by the provisions of the Administrative Judicial Procedure Act and section 73 of the Act on the Financial Supervisory Authority. The Administrative Court shall handle a matter referred to in chapter 3, sections 8, 9 and 11–15, chapter 5, sections 11 and 19 as well as in chapter 7, section 3 as an urgent matter.

An issuer of a financial instrument and a stock exchange may lodge an appeal against a decision of the Financial Supervisory Authority in a matter referred to in chapter 3, section 9, subsection 7, section 11, subsections 6 and 7, section 12, subsection 1, section 13, subsection 4 and section 14, subsection 2. The issuer of a financial instrument, an operator of multilateral trading and an operator of organised trading may lodge an appeal against a decision of the Financial Supervisory Authority in a matter referred to in chapter 5, section 11. A registered association supervising the interests of the investors as well as an investor who owns financial instruments subject to the decision of the Financial Supervisory Authority or financial instruments entitling thereto may lodge an appeal against a decision of the Financial Supervisory Authority in a matter referred to in chapter 3, section 11, subsection 7 and section 14, subsection 2. A trading party whose rights have been withdrawn may lodge an appeal against a decision of the Financial Supervisory

Authority in a matter referred to in chapter 3, section 15, subsection 6 and chapter 5, section 19, subsection 2.

Chapter 12

Administrative sanctions

Section 1

Administrative fine

The provisions referred to in section 38, subsection 1, paragraph 2 of the Act on the Financial Supervisory Authority for the neglect or violation of which an administrative fine shall be imposed shall be:

- 1) the provisions of chapter 3, sections 29–31 on the insider notification and the insider register;
- 2) the provisions of chapter 7, section 4 on the obligation to disclose limit orders.

In addition to the provisions of subsection 1, the provisions referred to in section 38, subsection 1, paragraph 2 of the Act on the Financial Supervisory Authority shall also comprise the further provisions and regulations relating to the provisions referred to in paragraphs 1 and 2.

Section 2

Penalty payment

The provisions referred to in section 40, subsection 1 of the Act on the Financial Supervisory Authority for the neglect or violation of which a penalty payment shall be imposed shall be:

- 1) the provisions of chapter 3, section 24 and chapter 5, section 8 on the settlement of transactions;
- 2) the provisions of chapter 3, section 34 and chapter 5, section 17 on the forbidden marketing of a regulated market as well as of an MTF and an OTF.

In addition to the provisions of subsection 1, the provisions and decisions referred to in section 40, subsection 1 of the Act on the Financial Supervisory Authority would be a violation or neglect of the following provisions or decisions:

- 1) the provisions of chapter 2, sections 1 and 4, section 14, subsection 1, paragraph 5 and sections 16–18 on the operation of a regular market as well as a decision by the Ministry of Finance on the withdrawal of an authorisation and the suspension of the activities of a stock exchange under chapter 2, sections 14 and 15;
- 2) the provisions of chapter 2, section 11 and section 12, subsection 3 on the notification and prohibition of acquisition of shares as well as a decision made under section 32a of the Act on the Financial Supervisory Authority on the prohibition of acquisition of a holding and a decision made under section 32c on the restriction of rights arising from shares;
- 3) the provisions of chapter 3, sections 1 and 2, section 3, subsection 1, sections 8, 11, 15, 17–23, 25, 27 and 28 and section 34, subsection 1 on the arrangement of the operation of a regulated market;
- 4) the provisions of chapter 5, sections 1–7, 9–14 and 19–28 on the requirements and special requirements applied to an MTF and an OTF;
- 5) the provision of chapter 6, section 2, subsection 1 on requirements applicable to an SME growth market;
- 6) the provisions of chapter 7, sections 6 and 7 on the obligation of a stock exchange and an MTF to publish information on commodity derivatives and emission allowances as well as on the classification of parties;
- 7) the provisions of chapter 8, sections 1, 14 and 15 on the right to provide data reporting services;
- 8) the provisions of chapter 9, sections 1–10 on the organisation requirements of a data reporting services provider;

9) the provisions of section 18, subsection 1, section 19, subsections 1 and 3 and sections 23 and 24 of the Act on the Financial Supervisory Authority on the right to obtain information and the right of inspection of the Financial Supervisory Authority.

In addition to the provisions of subsections 1 and 2, the provisions referred to in chapter 40, subsection 1 of the Act on the Financial Supervisory Authority would be a violation or neglect of the following provisions of the EU Markets in Financial Instruments Regulation:

- 1) the provisions of Article 3, paragraphs 1 and 3; Article 4, paragraph 3, subparagraph 1; Article 6; Article 7, paragraph 1, the first sentence of subparagraph 3; Article 8, paragraphs 1, 3 and 4; Article 10; and Article 11, paragraph 1, the first sentence of subparagraph 3 and paragraph 3, subparagraph 3, on transparency for financial instruments;
- 2) the provisions of Article 7, paragraph 1 and Article 11, paragraph 1 on authorisation of deferred publication;
- 3) the provisions of Article 12, paragraph 1 and Article 13, paragraph 1 on obligation to offer trade data on a separate and reasonable commercial basis;
- 4) the provisions of Article 14, paragraph 1, the first sentence of paragraph 2 and the second, third and fourth sentences of paragraph 3; Article 15, paragraph 1, subparagraph 1, the first sentence of subparagraph 2 and subparagraph 3, paragraph 2 and the second sentence of paragraph 4; Article 17, the second sentence of paragraph 1; Article 18, paragraphs 1 and 2, the first sentence of paragraph 4, the first sentence of paragraph 5, paragraph 6, subparagraph 1 as well as paragraphs 8 and 9; Article 20, paragraph 1, the first sentence of paragraph 2; Article 21, paragraphs 1, 2 and 3; Article 22, paragraph 2; as well as Article 23, paragraphs 1 and 2, on transparency for systematic internalisers and investment firms trading OTC;
- 5) the provisions of Article 25, paragraphs 1 and 2; Article 26, paragraph 1, subparagraph 1, paragraphs 2–5, paragraph 6, subparagraph 1 as well as paragraph 7, subparagraphs 1–5 and 8; and Article 27, paragraph 1, on transaction reporting;
- 6) the provisions of Article 28, paragraph 1 and paragraph 2, subparagraph 1; Article 29, paragraphs 1 and 2; Article 30, paragraph 1; and Article 31, paragraphs 2 and 3, on derivatives;

7) the provisions of Article 35, paragraphs 1–3, Article 36; paragraphs 1–3; and Article 37, paragraphs 1 and 3, on non-discriminatory clearing access for financial instruments;

8) the provisions of Articles 40–42 on supervisory measures on product intervention.

In addition to the provisions of subsections 1–3, the provisions referred to in section 40 of the Act on the Financial Supervisory Authority shall also be the further provisions and regulations as well as the provisions of Commission regulations and decisions issued under the Markets in Financial Instruments Directive and the EU Markets in Financial Instruments Regulation issued under said subsections.

Under the provisions of subsection 2, paragraph 9, a penalty payment may not be imposed on a party other than a supervised entity of the Financial Supervisory Authority or on another person who is liable to comply with this Act or the EU Markets in Financial Instruments Regulation. A penalty payment may not be imposed on a natural person for the violation of the provisions of subsection 2, paragraph 9 when there is reason to suspect the person for an offence and the information relates to the matter under suspicion.

Section 3

Imposition and enforcement of administrative sanctions

The imposition, notification and enforcement of administrative sanctions shall be governed by chapter 4 of the Act on the Financial Supervisory Authority.

Chapter 13

Provisions on liability for damages and punishment

Section 1

Damages

Anyone who wilfully or through negligence caused damage to another person through conduct in violation of this Act, the provisions or regulations issued thereunder, the EU Markets in Financial Instruments Regulation or the Markets in Financial Instruments Directive or the Commission

regulations and decisions issued under the EU Markets in Financial Instruments Regulation shall be liable to compensate the damage he or she has caused.

The adjustment of damages as well as the division of liability among two or more persons liable for the damages shall be governed by the provisions of chapters 2 and 6 of the Tort Liability Act (412/1974).

Section 2

Unauthorised arrangement of trading in financial instruments, unauthorised operation of an OTF as well as unauthorised provision of data reporting services in financial instruments

Anyone who wilfully or through gross negligence carries out stock exchange activities in violation of chapter 2, section 1 or operates an MTF or an OTF in violation of chapter 5, section 1, subsection 1 or provides data reporting services in violation of chapter 8, section 1 or 2 shall, unless the act is minor or subject to a more severe punishment elsewhere in the law, be sentenced for *unauthorised arrangement of trading in a financial instrument* to a fine or to imprisonment not exceeding one year.

Section 3

Breach of the secrecy obligation

Punishment for breach of the secrecy obligation provided in chapter 10, section 2 shall be sentenced in accordance with chapter 38, section 1 or 2 of the Criminal Code of Finland (39/1889) unless the act is subject to a more severe punishment elsewhere in the law.

Chapter 14

Entry into force

Section 1

Entry into force

This Act enters into force on 3 January 2018.

This Act repeals the Act on Trading in Financial Instruments (478/2012), hereinafter *the Act to be repealed*.

If a reference is made elsewhere in the law to the Act to be repealed or a provision of the Act to be repealed is otherwise referred to, a provision of this Act, replacing it, shall be applied in its stead.

Section 2

Transitional provisions

A stock exchange that has been granted an authorisation prior to the entry into force of this Act need not apply for a new authorisation.

The stock exchange shall bring its rules to correspond to the requirements of this Act and apply for a confirmation of the Ministry of Finance for the amendments within six months from the entry into force of this Act.

An operator of multilateral trading shall bring its rules to correspond to the requirements of this Act within six months from the entry into force of this Act.

The data reporting service operators referred to in chapters 8 and 9 above shall apply for authorisation or ensure that their activities correspond to the requirements of chapters 8 and 9 within six months from the entry into force of this Act. A data reporting service operator that was engaged in providing a data reporting service referred to in chapters 8 and 9 of this Act upon the entry into force of this Act may nevertheless continue its activities if it has submitted an application for authorisation within the stated deadline, until the Financial Supervisory Authority issues its decision on authorisation.

The CTP referred to in chapter 9, section 4 shall comply with the requirements on the arrangement of operations referred to in subsections 3 and 4 of said section from 3 September 2019.

An annual account in accordance with chapter 2, section 21, subsection 2 and section 43, subsection 4 of the Act to be repealed need not be submitted to the Financial Supervisory Authority of the year 2017.

