

Unofficial translation

Amendments up to 258/2013 included

746/2012

Issued in Helsinki on 14 December 2012

Securities Markets Act

Pursuant to the decision of Parliament, the following is enacted:

PART I

GENERAL

Chapter 1

General provisions

Section 1

General scope of application of the Act

This Act shall govern the issuance of securities to the public, the disclosure obligation on the securities markets, takeover bids, prevention of market abuse and supervision of the securities market.

This Act shall also apply to activities taking place outside Finland as provided below.

Section 2

Prohibition to act contrary to good practice in the securities markets

It is prohibited to act contrary to good practice in the securities markets.

Section 3

Prohibition to give false or misleading information

It is prohibited to provide false or misleading information in the marketing and exchange of securities or other financial instruments in business as well as upon fulfilling the disclosure obligation in accordance with this Act.

Information the untruthful or misleading nature of which is revealed following the provision of the information and which may be of material significance to the investor, shall, without delay, be corrected or supplemented in an adequate manner.

Section 4

Keeping of sufficient information equally available

Anyone who, by himself or on the basis of an assignment, offers securities or seeks the admission to trading of a security on a regulated market or on a multilateral trading facility (*MTF*) or who, under chapters 3 - 9 or 11 is subject to the disclosure obligation towards the investors, shall be liable to keep sufficient information on factors that may have a material effect on the value of the security equally available to the investors.

Section 5

European Union legislation

For the purposes of this Act:

1) *the Transparency Directive* shall mean Directive 2004/109/EC of the European Parliament and of the Council on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC;

2) *the Prospectus Directive* shall mean Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC;

3) *the Market Abuse Directive* shall mean Directive 2003/6/EC of the European Parliament and of the Council on insider dealing and market manipulation (*market abuse*);

4) *the Takeover Bids Directive* shall mean Directive 2004/25/EC of the European Parliament and of the Council on takeover bids;

5) *the Markets in Financial Instruments Directive* shall mean Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC;

6) *the Prospectus Regulation* shall mean Commission Regulation (EC) no 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements;

7) *the MiFiD Implementing Regulation* shall mean Commission Regulation (EC) No 1287/2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards record-keeping obligations for investment firms, transaction reporting, market transparency, admission of financial instruments to trading, and terms defined for the purposes of that Directive;

8) *the Commission Buy-Back Regulation* shall mean Commission Regulation (EC) No 2273/2003 implementing directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buy-back programmes and stabilisation of financial instruments.

In addition to the other provisions on disclosure obligation on the securities markets, the short selling of financial instruments and the related special notification and disclosure obligation shall be governed by Regulation (EU) No 236/2012 of the European Parliament and of the Council on short selling and certain aspects of credit default swaps. (258/2013)

Section 6

Supervision

Compliance with this Act and the provisions and regulations issued thereunder shall be supervised by the Financial Supervisory Authority.

The Financial Supervisory Authority shall, however, not supervise trading operated by the Bank of Finland in securities and other financial instruments for the administration of its duties relating to monetary policy.

The obligation of the Financial Supervisory Authority to engage in cooperation with the Consumer Agency in matters regarding the supervision of this Act shall be governed by the Act on the Financial Supervisory Authority (878/2008).

Chapter 2

Definitions

Section 1

Security

Security shall in this Act mean a security which is negotiable and issued or meant to be issued to the public together with several other securities with similar rights. This may, for example, be:

1) a share in a limited-liability company or a corresponding share of another entity as well as a depositary receipt in respect of such right;

2) a bond or other securitised debt as well as a depositary receipt in respect of such right;

3) any other security giving the right to acquire or sell a security referred to in paragraph 1 or 2 or a security giving rise to a cash settlement determined by reference to a security, currency, interest rate or yield, commodity or other index or measure;

4) a unit in a fund referred to in the Act on Common Funds (48/1999), or a unit issued by a collective investment undertaking comparable thereto.

A security shall, however, not in this Act mean a right which alone or together with other securities produces the right to possess a specific apartment, other premises or real estate or a part of real estate.

Section 2

Financial instrument

A financial instrument shall in this Act mean a security and any other financial instrument in accordance with chapter 1, section 10 of the Act on Investment Services (747/2012).

Section 3

Issuer

An issuer shall, in this Act, mean a Finnish and a foreign entity that has issued a security.

Section 4

A controlled entity

A controlled entity shall in this Act mean an entity where a shareholder, a member or another person exercises the control referred to in this section.

A person has control in an entity when he has:

1) a majority of the voting rights produced by all the shares or corresponding units of the entity and the majority of votes is based on holding, membership, articles of association, memorandum of association or on by-laws or other contract comparable thereto; or

2) the right to appoint or dismiss the majority of the members of the Board of Directors or a corresponding body of an entity or of a body of the entity which has the said right, and if the right of appointment or dismissal is based on the same facts as the majority of votes referred to in paragraph 1.

In calculating the portion of votes referred to in subsection 2, a voting restriction contained in the Act or in the articles of association, memorandum of association or corresponding by-laws or other contract of the entity is not taken into account. In calculating the total number of votes, the total shall be reduced by the votes attached to the shares or corresponding units held by the entity itself or by an entity controlled by it.

In addition to the provisions of subsections 2 and 3, an entity shall be deemed to be controlled by another entity if it is managed on a unified basis by the latter entity or if the latter entity otherwise actually exercises control over it.

If a shareholder, a member or another person together with the entities under his control or if these entities together have the control referred to in subsections 2 - 4 over an entity, also the latter entity is an entity controlled by him.

The provisions of this section on a controlled entity shall, where applicable, apply to a controlled foundation.

Section 5

Regulated market and operator of a regulated market

Regulated market shall in this Act mean a trading system referred to in chapter 1, section 2, paragraph 6 of the Act on Trading in Financial Instruments (748/2012) and the *operator of a regulated market* shall mean a stock exchange or a corresponding entity in another EEA Member State authorised by a competent authority to operate a regulated market.

Section 6

Stock exchange

Stock exchange shall in this Act mean the market operator of a regulated market referred to in chapter 1, section 2, paragraph 4 of the Act on Trading in Financial Instruments.

Section 7

Listed company

Listed company shall in this Act mean a public limited liability company in accordance with the Limited Liability Companies Act (624/2006) and a company referred to in the Act on European Companies (742/2004) with its corporate-law registered office in Finland and a share issued by which is admitted to trading on a regulated market.

Section 8

Offeree company

Offeree company shall in chapter 9 of this Act mean an issuer as defined in the Transparency Directive and in chapter 11 an issuer of securities subject to a takeover bid referred to in section 1 of the chapter.

Section 9

Multilateral trading facility and multilateral trading operator

Multilateral trading facility (later an *MTF*) shall in this Act mean the trading system referred to in chapter 1, section 2 (7) of the Act on Trading in Financial Instruments and *multilateral trading operator* shall mean an entity referred to in paragraph 8 of the said section.

Section 10

Investment service provider

Investment service provider shall in this Act mean an investment firm and a foreign investment firm referred to in the Act on Investment Services, a credit institution and a foreign credit institution referred to in the Act on Credit Institutions (121/2007), which provides investment services as well as a management company referred to in the Act on Common Funds and a foreign management company, which provides investment services.

Section 11

Disclosure

Disclosure shall in this Act mean the dissemination of the regulated information to the investors, the Financial Supervisory Authority and the relevant regulated market as provided for in chapter 10, sections 3 and 4.

Section 12

Offer to the public

The offer of securities to the public shall in this Act mean a communication to persons presenting or intended to present sufficient information on the terms of the offer and the security offered, so as to enable to decide to purchase or subscribe to the security.

Section 13

The European Securities and Markets Authority

The European Securities and Markets Authority shall mean 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.

Section 14

EEA Member State and a third country

An *EEA Member State* shall in this Act mean a state which belongs to the European Economic Area and a *third country* shall mean a state outside the European Economic Area.

PART II

PROSPECTUS

Chapter 3

Scope of application and definitions

Section 1

Scope of application

The provisions of chapters 3 - 5 of this Act shall apply to a prospectus to be published of securities, the offer of securities to the public and the seeking of admission to trading on a regulated market of securities.

Section 2

Restriction of the scope of application

The disclosure obligation provided for in chapters 3 - 5 of this Act shall not apply to the offer to the public or the seeking of admission to trading on a regulated market of the following securities:

- 1) shares of a central bank of an EEA Member State or other shares in their capital;
- 2) non-equity securities issued in a continuous or repeated manner by a credit institution and which are not subordinated, convertible or exchangeable or give the right to subscribe to or acquire other types of securities or access to a payment based on the performance of a security or other assets and which are not linked to a derivative instrument and which materialise reception of repayable deposits and are covered by a deposit-guarantee scheme under Directive 94/19/EC of the European Parliament and of the Council on deposit-guarantee schemes;
- 3) debt securities having a maturity of less than 12 months from their issue.

The disclosure obligation provided for in chapters 3 - 5 of this Act shall also apply to the offer to the public and the seeking of admission to trading on a regulated market of units issued by a collective investment undertaking of the closed-end type. The disclosure obligation pertaining to common funds shall be governed by the Act on Common Funds.

Section 3

Relation to European Union legislation

In addition to the provisions of this Act and the provisions issued thereunder, the prospectus shall be governed by the Prospectus Regulation unless otherwise provided for in chapter 4, section 6, subsection 3.

Section 4

Equity security

Equity security shall in chapters 3 - 5 of this Act mean a share of a limited-liability company or a corresponding share in another entity, a certificate relating to rights entitling to shares in accordance with chapter 3, section 12 of the Limited Liability Companies Act or another security entitling to acquire such security either through conversion or exercise provided that the right to be exercised has been issued by the issuer of the underlying share or a corresponding share or by an entity belonging to the group of the issuer.

Section 5

Qualified investor

Qualified investor shall in chapters 3 - 5 of this Act mean a professional investor in accordance with chapter 1, section 18 of the Investment Services Act or an eligible counterparty in accordance with chapter 1, section 19 of the same Act.

Section 6

Home Member State of the issue of a security

Finland shall be the home Member State of an issue of securities if the corporate-law registered office of the issuer is in Finland and the issued securities are equity securities or securities other than those referred to in subsection 3.

The home Member State of an issue of securities shall also be Finland if the corporate-law registered office of the issuer is situated in a third country and equity securities or securities other than those referred to in subsection 3 are offered to the public or sought to be admitted to trading within the European Economic Area for the first time in Finland. If the offer to the public or the seeking of admission on a regulated market was decided by a party other than the issuer, the issuer may later choose another EEA Member State as the home Member State of the issue.

Anyone who offers to the public or seeks admission to trading on a regulated market other than equity securities may choose Finland as the home Member State of the issue if the securities are offered to the public or sought to be admitted to trading on a regulated market in Finland or if the corporate-law registered office of the issuer is in Finland, and:

- 1) the denomination or accounting par value of the securities is at least EUR 1 000, or
- 2) the securities give the right to acquire other securities or to receive a payment based on the performance of other securities or another index.

Chapter 4

Publication and contents of a prospectus

Section 1

Obligation to publish a prospectus

Anyone who offers securities to the public and seeks admission to trading on a regulated market of a security shall publish a prospectus of the securities prior to the entry into force of the offer or the admission to trading on a regulated market of a security and keep it available to the public while the offer is open as provided for in this chapter.

The prospectus may be published when the Financial Supervisory Authority has approved it or the competent authority of another EEA Member State has notified the Financial Supervisory Authority of the approval of the prospectus in accordance with chapter 5, section 2.

An approved prospectus shall be published with the same contents and in the same form as it was upon approval.

In addition to the offeror and the issuer of the securities, the party handling the offer or seeking the admission to trading on a regulated market of a security on the basis of an assignment shall also be liable for the drawing up and publication of the prospectus.

Section 2

Exemptions from the obligation to publish a prospectus relating to certain securities

A prospectus need not be published when offering to the public or seeking the admission to trading on a regulated market of securities comprising:

1) non-equity securities issued by the State of Finland, the Bank of Finland, a Finnish municipality or a joint municipal authority or by another EEA Member State, its central bank or its regional administrative unit or by a public international body, the members of which comprise at least one EEA State, or by the European Central Bank; or

2) securities for which the State of Finland, a Finnish municipality or a joint municipal authority or another EEA Member State or its regional or local administrative unit has issued an absolute guarantee.

A prospectus need neither be published, if an offer is made to the public or admission to trading on a regulated market is sought of non-equity securities issued in a continuous or repeated manner by a credit institution provided that the total consideration for the offers in the EEA is less than EUR 75 000 000, which shall be calculated over a period of 12 months. A further precondition is that the securities are not subordinated, convertible or exchangeable, do not give a right to subscribe or to acquire other types of securities and are not linked to a derivative instrument.

Anyone offering the securities referred to in subsections 1 and 2 or seeking their admission to trading on a regulated market shall, however, be entitled to publish a prospectus. If a prospectus is published, it shall be governed by the provisions of chapters 3 - 5 and the provisions issued thereunder.

Section 3

Exemptions from the obligation to publish a prospectus when offering securities to the public

A prospectus need not to be published if the securities are offered:

1) solely to qualified investors;

2) calculated per each EEA Member State, to fewer than 150 investors, other than qualified investors;

3) to be acquired for a total consideration of at least EUR 100 000 per investor and per offer or in units with a denomination or consideration of at least EUR 100 000;

4) in an amount with a total consideration of less than EUR 1 500 000 calculated in the EEA over a period of 12 months; or

5) in an amount with a total consideration of less than EUR 5 000 000 calculated in the EEA over a period of 12 months and the securities are sought to be admitted to trading on an MTF in Finland and a company description in accordance with the rules of the trading facility is made available to the investors over the period of the offer.

If the same securities are offered or intermediated with a new offer to the final investors and the preconditions referred to in subsection 1 for the non-publication of a prospectus do not exist, a prospectus shall be published of the new offer. A prospectus need, however, not be published if a prospectus, which is valid, has been published for the original offer, if the issuer or another party responsible for the publication of the prospectus has, in writing, consented to the use of the original prospectus for the new offer or intermediation of the same security to the final investors.

A prospectus need neither be published if:

1) shares are offered in substitution for shares of the same class already issued, if this does not involve any increase in the issued capital;

2) the shares offered are issued to the shareholders of the issuer instead of a dividend payable in cash as shares of the same class as the shares yielding the dividend provided that the offeror publishes a document containing information on the number and class of the shares to be offered as well as on the reasons for and terms of the offer; or

3) an employer undertaking or an affiliated undertaking offers securities to existing or former directors or employees of the employer undertaking provided that the corporate-law registered office of the offeror is in an EEA Member State and that the offeror makes available a document containing information on the number and class of the securities to be offered as well as on the reasons for and terms of the offer.

The provisions of subsection 3, paragraph 3 shall also apply to a company whose corporate-law registered office is in a third country and whose securities are admitted to trading on a regulated market or on a market corresponding to a regulated market in the third country if the document referred to

in the same paragraph is available in a language commonly used in international financial markets and if the Commission has made the decision on equivalence referred to in Article 4 (1) of the Prospectus Directive regarding the said third country.

Section 4

Exemptions from the obligation to publish a prospectus upon seeking admission to trading on a regulated market

A prospectus need not be published if admission to trading on a regulated market is sought for:

- 1) shares representing, over a period of 12 months, less than 10 per cent of the number of shares of the same class already admitted to trading on the same regulated market;
- 2) shares received in substitution for shares already admitted to trading on the same regulated market if the issuing of such new shares does not involve any increase in the issued capital;
- 3) shares allotted to holders of shares of the issuer admitted to trading on the same regulated market instead of a dividend or interest payable in cash as shares of the same class as the shares yielding it, provided that the offeror publishes a document containing information on the number and class of the shares sought to be admitted to trading as well as on the reasons for and terms of the offer;
- 4) securities which an employer company or an affiliated undertaking offers to the present or former directors or employees of the employer company if the securities of the company are already admitted to trading on the same regulated market, provided that the offeror publishes a document containing information on the number and class of the securities to be offered as well as on the grounds and terms of the offer;
- 5) shares resulting from the exchange or conversion of securities or from the exercise of other rights conferred by securities, provided that the shares are of the same class as the shares already admitted to trading on the same regulated market.

Section 5

Exemption from the obligation to publish a prospectus granted by the Financial Supervisory Authority

The Financial Supervisory Authority may, upon application, grant a partial or complete exemption from the obligation to publish a prospectus if the securities offered to the public or sought to be admitted to public trading on a regulated market comprise:

- 1) securities offered in connection with a takeover bid by means of an exchange offer and the offeror has published an offer document referred to in chapter 11, section 11 or another document containing information which is regarded by the Financial Supervisory Authority as being equivalent to that of a prospectus taking into account the requirements of the European Union legislation; or
- 2) securities offered as consideration in connection with a merger or a division and the party offering the consideration has published a document containing information which is regarded by the Financial Supervisory Authority as being equivalent to that of a prospectus taking into account the requirements of the European Union legislation.

The Financial Supervisory Authority may also, upon application, grant a partial or complete exemption from the obligation to publish a prospectus if securities sought to be admitted to public trading on a regulated market are already admitted to trading on another regulated market, provided that:

- 1) the securities or securities of the same class have been admitted to the said trading for more than 18 months;
- 2) a prospectus referred to in this Act and in the Prospectus Regulation or listing particulars referred to in Directive 2001/34/EC of the European Parliament and of the Council on the admission of securities to official stock exchange listing and on information to be published on those securities issued prior to the entry into force of the Act or a prospectus drawn up in accordance with the requirements set thereon has been published of the securities;
- 3) the obligation to publish of the issuer of the securities forming a precondition for the admission to the said trading of the securities has been complied with; and
- 4) the party seeking admission to trading of securities publishes a summary document in accordance with chapter 9 of this Act and the Prospectus Regulation and information on where the prospectus that has last been published on the said security and the financial information published by the issuer of the security under the ongoing disclosure obligation are available.

The Financial Supervisory Authority may, upon application, grant a partial or complete exemption from the obligation to publish a prospectus also if securities are offered to finance operations for the

public good, mainly non-profit making operations and the granting of the exemption does not jeopardise the position of the investors.

Section 6

Contents and structure of the prospectus

The prospectus shall provide the investor sufficient information to make an informed assessment on the securities and their issuer as well as on the possible guarantor. The prospectus shall contain essential and sufficient information on the assets, liabilities, financial position, profit and losses and prospects of the issuer and the possible guarantor as well as on the rights attached to the securities and other factors with a material effect on the value of the securities. The information shall be presented in a logical and easily comprehensible form.

The prospectus need, however, not contain information on the guarantor of the security if the guarantor is the State of Finland or another EEA Member State.

The prospectus shall contain the information required in this Act, the provisions issued thereunder and the Prospectus Regulation. If the securities are included in an offer with a total consideration of less than EUR 5 000 000 calculated in the EEA over a period of 12 months and the securities are not sought to be admitted to trading on a regulated market, a prospectus may, however, be drawn up solely in accordance with the requirements set in this Act and the Decree of the Ministry of Finance issued under chapter 5, section 11.

The prospectus shall be published either as a single document or as a document consisting of three parts. If the prospectus is published as a three-part document, its parts shall be named the registration document, the securities note and the summary.

Section 7

Registration document

The registration document shall contain the information relating to the issuer.

The party responsible for the publication of the prospectus may apply for the approval of solely the registration document referred to in this section. The validity of the registration document shall, in that case, be governed by section 16 of this chapter and its approval by chapter 5.

The approval of the registration document shall not entitle to the offer of securities or their admission to trading on a regulated market without a securities note and a summary approved in accordance with chapter 5.

Section 8

Securities note

The securities note shall contain the information concerning the securities offered to the public or sought to be admitted to trading on a regulated market. The securities note shall, where applicable, present the information on changes in the registration document, which may be of material importance to the investors.

Section 9

Summary

The prospectus shall contain a summary. The summary shall, in a brief manner and in non-technical language, convey the essential information which together with the rest of the prospectus help in making an informed assessment of the said securities. The information in the summary and their manner of presentation shall help in comparing summaries drawn up of similar securities.

A summary need not be drawn up if the prospectus relates to the seeking of admission to trading on a regulated market of non-equity securities having a denomination or consideration of at least EUR 100 000.

Section 10

Base prospectus

If non-equity securities or such equity securities that entitle to shares or to a payment based on their performance are offered as part of the issue programme, the prospectus may be published in the form of a base prospectus.

The base prospectus shall contain the information in the registration document, the securities note and the summary. If the final terms of the offer relating to a security cannot be included in the base prospectus upon its publication or supplementation, the terms shall be published without undue delay after the decision had been made thereon.

The base prospectus shall be supplemented in compliance with the provisions of section 14.

Unless included in the base prospectus or a supplement of the prospectus, the final terms of the offer shall be filed with the Financial Supervisory Authority, the competent authority of the host EEA Member State and the European Securities and Markets Authority at the same time as they are published as provided for in subsection 2.

Section 11

Incorporation of information in the prospectus by reference

Information may be incorporated in the prospectus by reference to a previously or simultaneously published document provided that the document has been earlier approved by the Financial Supervisory Authority or it has been filed with the Financial Supervisory Authority in connection with the application for approval of the prospectus or with the publication referred to in chapter 10.

The summary shall not incorporate information by reference.

Section 12

Language of the prospectus

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

If securities are offered to the public or sought to be admitted to trading on a regulated market only in an EEA Member State other than Finland, the prospectus shall be drawn up in the language accepted by the competent authority of the host EEA Member State or in a language customary in the international financial markets. The summary of the prospectus shall, upon request of the competent authority of the host EEA Member State, be translated to one or several official languages required by it. For the purpose of approval by the Financial Supervisory Authority, the prospectus shall, however, be drawn up in a language customary in the international financial markets or in another language accepted by the Financial Supervision Authority.

If securities are offered to the public or sought to be admitted to trading on a regulated market in Finland and in another EEA Member State, the prospectus shall be made available in the host EEA Member States in the languages accepted by the competent authorities of each of the host EEA Member States or in a language customary in the international financial markets. The summary of the prospectus shall, upon request of the competent authority of the host EEA Member State, be translated to one or several official languages required by it.

If non-equity securities with a denomination or accounting par value of at least EUR 100 000 are sought to be admitted to trading on a regulated market in one or several Member States of the European Economic Area, the prospectus may be drawn up in a language customary in the international financial markets or in a language accepted by the Financial Supervisory Authority and the competent authority of each other host EEA Member State. The Financial Supervisory Authority may request that the summary be drawn up in Finnish or Swedish or in both of these languages if this is necessary to protect the investors. The summary of the prospectus shall, upon request of the competent authority of the host EEA Member State, be translated to one or several official languages requested by it.

A prospectus accepted in another EEA Member State and its supplements shall be drawn up in a language customary in the international financial markets or in another language accepted by the Financial Supervisory Authority. The Financial Supervisory Authority may request that a summary of the

prospectus translated into Finnish or Swedish or to both be attached to the notification, if this is necessary to protect the investors.

Section 13

Omission of information from the prospectus authorised by the Financial Supervisory Authority

The Financial Supervisory Authority may, in connection with the approval of the prospectus, authorise the omission from the prospectus of certain information provided for in this chapter or the provisions issued thereunder or in the Prospectus Regulation if:

1) the information is of minor importance and not likely to materially influence the assessment of the assets and liabilities, financial position, result or prospects of the issuer;

2) disclosure of such information would be contrary to the public interest or seriously detrimental to the issuer; in the latter case a precondition shall, however, be that the omission would not be likely to mislead the public with regard to facts and circumstances essentially influencing the value of the securities.

The Financial Supervisory Authority may also authorise that, instead of the information required to be included in the prospectus, information equivalent thereto be included. The authorisation may be given if the information required to be included in the prospectus prove to be inappropriate to the issuer's sphere of activity, its legal form or to the securities to which the prospectus relates.

Section 14

Corrections and supplements to the prospectus

A mistake or omission in the prospectus or material new information which arises or is noted after the approval of the prospectus but before the closing of the offer or the admission of the security to trading on a regulated market and which may be of material importance to the investor shall, without undue delay, be communicated to the public by publishing the correction or supplement to the prospectus in the same manner as the prospectus.

The correction or supplement may be published when the Financial Supervisory Authority has approved it or the competent authority of another EEA Member State has informed the Financial Supervisory Authority of its approval in accordance with chapter 5, section 2.

Investors who have agreed to subscribe for or purchase the securities before the correction or supplement is published shall have the right, exercisable with a time limit which shall not be shorter than two banking days after the publication of the correction or supplement, to withdraw their acceptances. A precondition for the right to withdraw shall also be that the mistake, omission or material new information arose or was noted before the delivery of the securities to the investors. Information on the right to withdraw shall be issued in the correction or supplement.

Section 15

Supplementing the information on the amount and price of the securities

If the final amount or offer price of the securities to be offered cannot be included in the prospectus upon its publication or supplementation, the prospectus shall disclose the criteria or conditions in accordance with which the final amount or offer price of the securities will be determined, and the maximum price in accordance with the offer. The final amount or offer price shall be published as well as filed with the Financial Supervisory Authority without undue delay after a decision had been made thereon.

If the criteria for determining the amount and offer price of the securities or the maximum price are not published in the prospectus, the investors shall have the right to withdraw their acceptance of the subscription or purchase of securities within two banking days after the information on the final amount and offer price of the securities has been published.

Section 16

Validity of a prospectus

A prospectus shall be valid after the Financial Supervisory Authority has approved it or the competent authority of another EEA Member State has informed the Financial Supervisory Authority of its approval in accordance with chapter 5, section 2.

The prospectus shall be valid until the validity of the offer relating to the securities referred to in the prospectus has closed or the securities referred to in the prospectus have been admitted to trading on a regulated market, however, at most for 12 months after its publication.

A prospectus approved and published previously with less than 12 months from its approval, may be used when offering or seeking admission to trading of securities on a regulated market.

A base prospectus shall be valid for 12 months from its approval.

An approved registration document shall be valid for 12 months from its approval.

Section 17

Validity of prospectuses referred to in the Act on Mortgage Credit Banks

A prospectus relating to covered bonds referred to in the Act on Mortgage Credit Banks (688/2010) or corresponding foreign securities shall be valid until no more of the securities concerned are issued in a continuous and repeated manner.

Chapter 5

Competence and procedure of the Financial Supervisory Authority in approval of a prospectus

Section 1

Competence of the Financial Supervisory Authority in approval of a prospectus

The Financial Supervisory Authority shall have the competence to take up an application for approving a prospectus for handling if:

- 1) the home Member State of the issue of securities referred to in the application is Finland;
- 2) the competent authority of another EEA Member State has requested it to take up the approval of a prospectus for handling, notified the European Securities and Markets Authority of the request and the Financial Supervisory Authority has consented to the request; or if
- 3) the prospectus is not governed by the Prospectus Regulation.

The Financial Supervisory Authority shall decide on the approval of the prospectus within 10 banking days from the submission of the prospectus for approval. If the prospectus relates to the securities of an issuer whose securities have not earlier been offered to the public or admitted to trading on a regulated market or to corresponding trading in an EEA Member State, the Financial Supervisory Authority shall make the decision referred to above within 20 banking days from the submission of the prospectus for approval.

If the Financial Supervisory Authority finds that the documents submitted to it are incomplete or that supplementary information is needed, the period set for the approval of the prospectus shall apply from the date on which the supplementary information is submitted to the Financial Supervisory Authority. The Financial Supervisory Authority shall ask the applicant to supplement its application within 10 banking days of the submission of the application. If the prospectus has to be supplemented in accordance with chapter 4, section 14 after its approval, the Financial Supervisory Authority shall decide on the approval of the supplement within seven banking days of the submission of the supplement for approval.

The prospectus shall be approved if it fulfils the criteria set in chapters 3 - 5.

Section 2

Prospectuses approved by another EEA Member State

A prospectus approved by another EEA Member State and any supplements thereto shall be valid in Finland and they shall be made available to the public herein if the home Member State of the issue is other than Finland and the securities are offered to the public or sought to be admitted to trading on

a regulated market in Finland and the competent authority of the said other Member State has provided the Financial Supervisory Authority and the European Securities and Markets Authority with copies of the prospectus and any supplements thereto as well as a certificate of approval attesting that they have been drawn up in accordance with the Prospectus Directive.

If the competent authority of another Member State has authorised the omission from the prospectus of certain information required in accordance with the Prospectus Directive, the exemption and its grounds shall be stated in the certificate of the authority in order for the exemption to be valid in Finland.

Section 3

Prospectus approved by a third country

If the prospectus of an issuer having its corporate law registered office in a third country has been drawn up in accordance with the legislation of the third country, the Financial Supervisory Authority shall approve the prospectus and any supplements thereto provided that they meet the standards set by the organisations of international securities commissions, which are equivalent to this Act, the Prospectus Directive and the provisions issued thereunder. The applicant shall present a clarification of the equivalence of the requirements as well as of whether a competent authority of the place of registered office of the issuer or another competent authority has approved the prospectus.

Section 4

Submission of the marketing material to the Financial Supervisory Authority

Any marketing material relating to an offer or the admission to trading on a regulated market shall be submitted to the Financial Supervisory Authority at the latest upon commencement of the marketing. The marketing material shall include a reference to the prospectus and state the place where the prospectus is available.

Section 5

Transfer of the approval of a prospectus to the competent authority of another EEA Member State

Instead of approving a prospectus, the Financial Supervisory Authority may decide on the transfer of the handling of the application to the competent authority of another EEA Member State. A precondition for the transfer shall be that the applicant requests for the transfer of the handling or that, due to the circumstances of the issue, the offer or the admission to trading have a significant link to another EEA Member State. A further precondition for the transfer shall be that the competent authority of the host EEA Member State agrees to the transfer and the Financial Supervisory Authority notifies the European Securities and Markets Authority of the decision. The Financial Supervisory Authority shall notify the applicant of its decision within three banking days from the making of the decision.

Section 6

Notification of the approval of a prospectus by the Financial Supervisory Authority to the European Securities and Markets Authority

The Financial Supervisory Authority shall notify of the approval of a prospectus and any supplement thereto in accordance with section 1 to the European Securities and Markets Authority at the same time when it notifies the issuer and the person requesting for the approval of the prospectus of the decision.

Section 7

Notification of the approval of a prospectus by the Financial Supervisory Authority to the competent authority of another EEA Member State

Where the intention is to offer or apply for the admission to trading on a regulated market of securities in one or more EEA Member States other than Finland, the Financial Supervisory Authority shall, upon the request of the applicant, provide the competent authority of the said State with a certificate

of approval attesting that the approved prospectus and any supplements thereto have been drawn up in accordance with the Prospectus Directive as well as with a copy of the prospectus and its supplements. The Financial Supervisory Authority shall provide the competent authority with the certificate within three banking days from the presentation of the request for the certificate or, if the request is submitted simultaneously with the submission of the prospectus or its supplement for approval, within one banking day from the approval of the prospectus or any supplement thereto.

The notification referred to in subsection 1 shall, where necessary, be accompanied by a translation of the summary, produced under the responsibility of the applicant, into the official language required by the competent authority of the host EEA Member State. If the Financial Supervisory Authority has authorised the omission of certain information, the exemption and its justification shall be stated in the certificate referred to in subsection 1.

Section 8

Request of the Financial Supervisory Authority to the authority of another EEA Member State to require a supplement to the prospectus

In finding that a prospectus, on the basis of which securities are offered to the public in Finland or sought to be admitted to trading in a stock exchange, contains mistakes or inaccuracies, the Financial Supervisory Authority shall notify the competent authority that has approved the prospectus thereof and request it to require that the prospectus be supplemented as provided for in chapter 4, section 14.

Section 9

Obligation of the Financial Supervisory Authority to publish a prospectus on the website

The Financial Supervisory Authority shall publish on its website the prospectuses approved by it within the last 12 months or a list thereof and see to that the prospectuses are available to the European Securities and Markets Authority over a corresponding period.

The Financial Supervisory Authority shall publish on its website a list of the approved prospectuses and supplements to the prospectuses which a competent authority of another EEA Member State has, within the last 12 months, notified to the Financial Supervisory Authority in accordance with section 2, subsection 1 as well as links to the prospectuses and supplements published on the website of the competent authority of the said EEA Member State, the issuer or the regulated market.

Section 10

Notifications and measures by the Financial Supervisory due to breaches in the EEA

The Financial Supervisory Authority shall notify the competent authority and the European Securities and Markets Authority if it finds as the competent authority of the host EEA Member State that:

1) the issuer or an investment service provider offering the securities to the public breaches the provisions of chapters 3 - 5 or the provisions or regulations issued thereunder on the offering of securities or breaches the European Union provisions relating to chapters 3 - 5;

2) the issuer has breached its obligations attaching to the fact that the securities issued by it are admitted to trading on a regulated market.

If the measures taken by the competent authority of the home Member State of the issue prove to be inadequate and the activity referred to in subsection 1 continues, the Financial Supervisory Authority shall, after informing the said authority and the European Securities and Markets Authority of the matter, take the necessary measures to protect investors. The Financial Supervisory Authority shall, without delay, inform the European Commission and the European Securities and Markets Authority of any measures.

Section 11

Authority to issue decrees

Further provisions may be issued by a Decree of the Ministry of Finance on:

1) the structure and contents of a prospectus as well as on the information to be given in a summary of the prospectus;

2) the date and manner of publication of the prospectus;

3) the obligation to publish a prospectus when the Prospectus Directive is not applied to a security, an offer or the seeking of admission to trading;

4) the structure and contents of a prospectus to be published of securities contained in an offer with a total consideration not exceeding EUR 5 000 000 but at least EUR 1 500 000 in the EEA, calculated over a period of 12 months.

PART III

DISCLOSURE OBLIGATION

Chapter 6

Ongoing disclosure obligation

Section 1

Scope of application

This chapter shall govern the ongoing obligation of an issuer to disclose information to the investors. Notwithstanding section 9, the provisions of this chapter shall be applied to an issuer:

1) who has its corporate-law registered office in Finland and a security issued by whom is admitted to trading on a regulated market;

2) a security issued by whom is admitted to trading in a stock exchange; or

3) who has sought the admission of a security issued by it to trading in a stock exchange or on a regulated market in accordance with paragraph 1 or 2.

Section 2

Restriction of the scope of application

The provisions of this chapter shall not be applied if the issuer is a State, its central bank, a municipality, a joint municipal authority or the European Central Bank or a public international body the members of which comprise at least two EEA Member States except if the said issuer publishes the information referred to in section 4 elsewhere in the EEA.

The disclosure obligation referred to in this chapter shall also apply to units issued by collective investment undertakings of the closed-end type whose units are admitted to trading on a regulated market. The disclosure obligation pertaining to common funds shall be governed by the Act on Common Funds.

Section 3

Relation to European Union legislation

The ongoing disclosure obligation and the trading in own shares of the issuer shall, in addition to this Act and the provisions issued thereunder, be governed by the Commission Buy-Back Regulation.

Section 4

Obligation to disclose information materially affecting the value of a security

An issuer of a security admitted to trading on a regulated market shall, without undue delay, disclose all such decisions made by it as well as factors relating to the issuer and its activities that are likely to affect the value of the said security.

The stock exchange shall, without undue delay, disclose all the decisions and factors that have come to its knowledge and referred to in subsection 1 and in section 6, which the issuer has not disclosed.

Section 5

Delay of public disclosure of information

The issuer may, for an acceptable reason, delay the public disclosure of information if the non-disclosure of the information does not prejudice the position of the investors and the issuer is able to ensure the confidentiality of the information. The issuer shall, without undue delay, notify the Financial Supervisory Authority and the party operating the regulated market in question of its decision to delay the public disclosure of the information and the reasons therefor.

Section 6

Disclosure obligation arising from selective disclosure of a factor to be published

If the issuer or a party acting for his account or on his behalf discloses to a third party any information, which has not been disclosed publicly and which is likely to have a material effect on the value of a security, the information shall be publicly disclosed simultaneously. If the information has been non-intentionally disclosed, the information shall be publicly disclosed without undue delay. The provisions of this section shall not apply if the person receiving the information owes a duty of confidentiality.

Section 7

Language to be used in the ongoing disclosure obligation

The language of the ongoing disclosure obligation of the issuer shall be governed by the provisions of chapter 10, section 4 of the language of the regulated information.

Section 8

Authority to issue regulations of the Financial Supervisory Authority

In order to enforce the provisions issued by the Commission under the Market Abuse Directive, the Financial Supervisory Authority may issue the necessary further regulations on the ongoing disclosure obligation.

Section 9

Obligation to publicly disclose information materially affecting the value of a security on an MTF

An issuer, whose security has been admitted to trading on an MTF in Finland on application by the issuer, shall, without undue delay, disclose all its decisions as well as the factors relating to the issuer and its activities that are likely to have a material effect on the value of the security. The issuer or the organiser of an MTF shall keep the information made public available to the investors.

Chapter 7

Obligation to disclose periodic information

General provisions

Section 1

Scope of application and home Member State

This chapter shall govern the obligation of the issuer to disclose information to investors relating to the annual financial statement and the interim financial reports

The provisions of this chapter shall be applied to an issuer of a security admitted to trading on a regulated market, whose home Member State for disclosure of periodic information in accordance with sections 2 and 3 is Finland.

Section 2

Home Member State for disclosure of periodic information of an issuer of a share, a security giving rise to a right to acquire a share and a security equivalent to a share

The home Member State for disclosure of periodic information of an issuer of a share, a security giving rise to a right to acquire a share and a security equivalent to a share admitted to trading on a regulated market shall be Finland, if the corporate-law registered office of the issuer is in Finland.

The home Member State for disclosure of periodic information of an issuer of a share, a security giving rise to a right to acquire a share and a security equivalent to a share admitted to trading on a regulated market shall be Finland also if the corporate law registered office of the issuer is in a third country and the shares have been offered or sought to be admitted to trading on a regulated market for the first time in Finland. If a party other than the issuer has decided on the offer or the seeking of admission to trading, the issuer may later choose another EEA Member State as the home Member State for disclosure of periodic information.

Section 3

Home Member State for disclosure of periodic information of an issuer of another security

An issuer of a security other than one referred to in section 2, the denomination or accounting par value of a security issued by it and admitted to trading on a regulated market, is less than EUR 1 000 shall have Finland as the home Member State for disclosure of periodic information if the corporate-law registered office of the issuer is in Finland. If the corporate-law registered office of an issuer of such security is in a third country, the home Member State for disclosure of periodic information shall be determined in accordance with section 2, subsection 2.

The issuer of a security referred to in subsection 1, the denomination or accounting par value of which is at least EUR 1 000, shall choose an EEA Member State as its home Member State for disclosure of periodic information. The home Member State for disclosure of periodic information shall be chosen for at least three years at a time. An issuer may choose as its home Member State for disclosure of periodic information a state where the securities issued by the issuer are admitted to trading on a regulated market or the EEA Member State in accordance with its corporate-law registered office.

The issuer shall publicly disclose the information, which state it has chosen as the home Member State for disclosure of periodic information.

Section 4

Restriction of the scope of application

The disclosure obligation provided for in this chapter shall not apply to the State of Finland, the Bank of Finland, a Finnish municipality or joint municipal authority, another State, its central bank or its regional or local government, the European Central Bank or an international body the members of which comprise one or more EEA Member States.

The disclosure obligation provided for in this chapter shall also apply to collective investment undertaking of the closed-end type, the units of which are admitted to trading on a regulated market. The disclosure obligation pertaining to common funds shall be governed by the Act on Common Funds.

The annual financial statement and management report

Section 5

Publication of the annual financial statement and the management report

The issuer shall make public its annual financial statement and management report without undue delay no later than three weeks prior to the General Meeting of the Shareholders where the annual financial statement shall be presented to be adopted, however, no later than three months after the termination of the financial period.

Section 6

Contents of the annual financial statement and the management report

The annual financial statement and the management report shall give a true and fair view of the performance of the business and the financial position of the issuer.

In addition, the issuer shall, in the management report, present information on factors which may materially affect a public bid on company securities.

Section 7

Corporate governance statement

The issuer shall, in the management report or in a separate report, include a corporate governance statement.

Section 8

Audit report and the publication of the audit report

The issuer shall disclose an audit report enclosed to the annual financial statement and the management report.

If the interim report prepared for the first six months of the financial period or for the first 12 months of the extended financial period has not, in the opinion of the auditors, been prepared in accordance with the provisions thereon, this shall be stated in the audit report.

The issuer shall disclose the annual financial statement and management report as well as the audit report immediately if the auditor:

1) issues other than a qualified opinion referred to in section 15, subsection 3 of the Auditing Act (459/2007) or if the report includes further information referred to in the same section;

2) makes a remark referred to in section 15, subsection 4 of the Auditing Act on the basis of the audit; or

3) notes that no corporate governance statement has been disclosed or that it is not consistent with the annual financial statement.

Section 9

Contents and public disclosure of a financial statement release

The issuer of a share, a security giving rise to a right to acquire a share and a security equivalent thereto shall make public a financial statement release without undue delay, however, at the latest within two months from the end of the financial period. The publication date of the financial statement release shall be made public immediately after a decision thereon.

The provisions of sections 11 - 13 on the contents of an interim report to be published for the first six months of a financial period shall correspondingly apply to the financial statement release. The financial statement release shall also state the proposal of the Board of Directors for measures called for by profit or loss as well as provide an account of distributable funds.

Interim report

Section 10

Disclosure of an interim report

The issuer of a share, a security giving rise to a right to acquire a share and a security equivalent thereto shall disclose an interim report for the first three, six and nine months of the financial period.

The issuer of a security referred to in subsection 1 may, however, decide not to disclose an interim report for the first three or nine months of the financial period if this, taking into account the size or field of activity of the company or another corresponding factor, is deemed justifiable. The issuer shall, in that case, disclose an interim management statement referred to in section 14 during the first six-month period and the second six-month period of the financial period.

The issuer of a security other than one referred to in subsection 1 shall disclose an interim report for the first six months of the financial period. The obligation to disclose an interim report shall not, however, apply to an issuer who has issued only securities other than those referred to in subsection 1 to be admitted to trading on a regulated market whose denomination per unit, at the date of the issue, amounts to at least EUR 100 000 or an amount corresponding thereto in another currency.

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

Section 11

Contents and structure of the interim report

The interim report shall give a true and fair view of the result of the performance of the business and the financial position of the issuer. The interim report shall be prepared in compliance with the same principles for recognising and measuring as in the annual financial statement. The information presented in an interim report shall be comparable to the information from the corresponding report period of the previous financial period. If the issuer prepares consolidated accounts, the interim report shall be given in consolidated form.

The explanatory statement of the interim report shall give a general description of the performance of the business and the financial position of the issuer as well as of their development during the report period. It shall explain any important events and business transactions of the report period as well as their impact on the performance of the business and the financial position of the issuer and give a description of the principal risks and uncertainties in the near future associated with the business of the issuer.

The condensed financial statement of an interim report shall be prepared in accordance with the IAS Interim Financial Reporting. The issuer may, however, prepare an abridged condensed financial statement for the first three and nine months.

Section 12

Audit of the interim report and publication of the auditor's statement

If the auditor of the issuer has audited the interim report, the auditor shall state in his statement the extent of the audit. The statement of the auditor shall, in that case, be appended to the interim report.

If the auditor of the issuer has not audited the interim report, the issuer shall state this in the interim report.

Section 13

Interim report for an extended financial period

If the financial period of an issuer has been extended, the issuer shall also disclose an interim report for the first 12 months of the financial period corresponding to an interim report for the first six months of a financial period referred to in section 11.

If the financial period of an issuer of a share, a security giving rise to a right to acquire a share and a security equivalent thereto has been extended to last over 15 months and the issuer has made public an interim report for the first three and nine months of the financial period, the issuer shall make public an interim report for the first 15 months of the financial period corresponding to the interim report for the first three months of the financial period referred to in section 10.

Interim management statement

Section 14

Contents and disclosure of the interim management statement

If the issuer does not disclose an interim report for the first three and nine months of the financial period, it shall, prior to the start of the financial period, make public information thereon as well as grounds for the non-disclosure.

The issuer shall, in that case, disclose an interim management statement no earlier than ten weeks after the beginning of the relevant six-month period and no later than six weeks before the end thereof. The publication date of the interim management statement shall be made public immediately after a decision thereon.

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

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

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

Section 15

Interim management statement of an extended financial period

If the financial period of an issuer of a share, a security giving rise to a right to acquire a share and a security equivalent thereto has been extended to last over 15 months and the issuer has disclosed an interim management statement during the first and second six-month period of the financial period, the issuer shall disclose an interim management statement for the time period of the financial period exceeding 12 months.

Other provisions

Section 16

Language to be used in the public disclosure of periodic information

The language regarding the obligation to disclose periodic information shall be governed by the provisions of chapter 10, section 4.

Section 17

Authority to issue decrees

Further provisions may be issued by a Decree of the Ministry of Finance on:

1) the disclosure obligation governed by this chapter for the implementation of the Transparency Directive and the regulations issued by the Commission on the basis of the Transparency Directive;

2) the contents and publication of the disclosure obligation governed by this chapter, such as the interim report, the interim management statement, the annual financial statement and the management report as well as the financial statement release;

3) the corporate governance statement of the issuer of a security and its publication for the implementation of Directive 2006/46/EC of the European Parliament and of the Council amending Council Directives 78/660/EEC on the annual accounts of certain types of companies, 83/349/EEC on consolidated accounts, 86/635/EEC on the annual accounts and consolidated accounts of banks and other financial institutions and 91/674/EEC on the annual accounts and consolidated accounts of insurance undertakings as well as provisions on disclosure of information on the body attending to the duties of an audit committee of the issuer based on Directive 2006/43/EC of the European Parliament and of the Council on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC;

4) the equivalence of the provisions on disclosure of periodic information by a third country provided that the provisions of the decree are not contrary to the Transparency Directive or the provisions of the European Union on annual accounts or consolidated accounts.

Section 18

Authority to issue regulations and right to grant exemptions of the Financial Supervisory Authority

The Financial Supervisory Authority may issue further regulations on the information in the management report referred to in the decree issued under section 17.

The Financial Supervisory Authority may grant an exemption from the publication of an interim report, an interim management statement, an annual financial statement and a management report as well as of a financial statement release provided that the exemption does not prejudice the position of the investors and is not contrary to the provisions of the European Union on annual accounts, consolidated accounts or prospectus. The Financial Supervisory Authority shall grant an issuer whose home Member State is in a third country an exemption to disclose the information in an interim report, interim management statement, annual financial statement and management report and financial statement release in accordance with the regulation of the home State of the issuer if the requirements of the legislation of the home State are deemed to be equivalent to those of Finnish legislation.

The Financial Supervisory Authority shall notify the European Securities and Markets Authority if it grants an exemption referred to in subsection 2 to an issuer whose home State is in a third country.

Chapter 8

Other disclosure obligation

Section 1

Scope of application

The provisions of sections 2 - 3 and 7 of this chapter shall be applied to an issuer:

- 1) who has its corporate-law registered office in Finland and a security issued by whom is admitted to trading on a regulated market;
- 2) a security issued by whom is admitted to trading in a stock exchange; or
- 3) who has sought the admission of a security issued by it to trading in a stock exchange or on a regulated market in accordance with paragraph 1 or 2.

The provisions of sections 4 - 6 of this chapter shall be applied to issuers referred to in chapter 7, sections 2 and 3 whose home Member State of disclosure of periodic information is Finland.

The provisions of section 8 of this chapter shall be applied to an issuer whose corporate-law registered office is in Finland and a security issued by whom is admitted to trading on a regulated market;

Section 2

Notification of transactions in own shares

An issuer shall notify any transactions in own shares to the operator of the regulated market on which its shares are admitted to trading. The notification shall be filed prior to the start of the next trading day.

In transactions in own shares, the issuer shall further comply with the provisions of chapter 9 on the disclosure of major holdings and proportions of voting rights.

Section 3

Publication of notifications of transactions in own shares

The stock exchange shall make public the information notified to the stock exchange under section 2.

Section 4

Proxy form to be used at the General Meeting of the Shareholders and the meeting of debt securities holders

The issuer of a share shall keep available to the shareholders the proxy form to be used at the General Meeting of the Shareholders if such has been drafted in the name or on behalf of the issuer.

If the terms of a debt security admitted to trading on a regulated market include a provision on a meeting of debt securities holders, the issuer of the debt security shall publish information on the time, place and agenda of the meeting and other essential rights of the debt securities holders as well as a notice of meeting.

The issuer shall also keep available to the debt securities holders the proxy form to be used at the meeting if one has been drafted in the name or on behalf of the issuer.

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

Section 5

Publication of the notice of the General Meeting of the Shareholders

The issuer of a share shall make public a notice of the General Meeting of the Shareholders.

Section 6

Publication of the total number of shares and the voting rights attaching to the shares

The issuer shall disclose the number of voting rights carried by the stock of shares and the total number of shares at the end of each calendar month during which the said number has changed unless the number has already been published during the calendar month.

Section 7

Notification of an application for the admission of a security to trading on a regulated market

The issuer shall, without delay, disclose that it has filed an application for the admission of its security to trading on a regulated market. The stock exchange shall, without undue delay, make public the arrival of an application that the issuer has not made public.

Section 8

Right of an issuer to obtain information on a client

A custodian referred to in the Act on the Book Entry System and Clearing Operations (749/2012) and the safekeeper referred to in the Act on Book Entry Accounts (750/2012) shall be obliged to submit to the issuer the identity of its shareholders.

Section 9

Authority to issue regulations of the Financial Supervisory Authority

The Financial Supervisory Authority may issue further regulations on the notifications of transactions in the own shares of an issuer referred to in section 2 and the publication of notifications of the stock exchange referred to in section 3.

Chapter 9

Notification of major holdings and proportions of voting rights

Section 1

Scope of application

This chapter shall govern the notification and disclosure of major holdings and proportions of voting rights in an issuer whose share is admitted to trading on a regulated market.

The provisions of this chapter shall be applied to a listed company forming the offeree company and its shareholder as well as to a person comparable to a shareholder. The provisions of this chapter shall also be applied to an issuer whose home Member State of disclosure of periodic information is Finland under chapter 7, section 2, subsection 2 and its shareholder as well as to a person comparable to a shareholder.

Section 2

Restriction of the scope of application

The provisions of this chapter shall not apply to shares acquired or disposed of by national central banks belonging to the European System of Central Banks in carrying out their functions as monetary authorities or within a payment system, provided that the voting rights attaching to such shares are not exercised.

The provisions of this chapter shall also apply to units issued by collective investment undertakings of the closed-end type.

Section 3

Offeree company

An offeree company shall in this chapter refer to a listed company and an issuer referred to in section 1, subsection 2 whose shares are admitted to trading on a regulated market and the holdings and portions of voting rights whereof shall be notified and disclosed in accordance with the provisions of this chapter.

Section 4

A person comparable to a shareholder

The provisions of this chapter on a shareholder shall also apply to a person comparable to a shareholder.

A person who exercises control in the shareholder and any other person whose proportion in the offeree company referred to in sections 5 or 6 or included in accordance with section 7 changes shall be regarded comparable to a shareholder.

Section 5

Obligation to notify holdings and proportions of voting rights

A shareholder shall have an obligation to notify the offeree company and the Financial Supervisory Authority its holdings and proportion of voting rights (*notification of major shareholding*), when the proportion reaches or exceeds or falls below 5, 10, 15, 20, 25, 30, 50 or 90 percent or two thirds of the voting rights or the number of shares of the offeree company.

A notification of major shareholding shall also be made when a shareholder is party to an agreement or other arrangement the effect of which would mean that the threshold referred to in subsection 1 is reached or exceeded or that the proportion falls below the notification threshold.

Section 6

Obligation to notify a proportion of voting rights

The proportion referred to in section 5 shall also include the right of the shareholder to acquire, dispose of or exercise voting rights attached to shares in the offeree company held by another person in, for example, the following cases or in combinations thereof:

- 1) voting rights held by the party subject to the obligation to notify under an agreement concluded with a third party and the agreement obliges the parties to concerted exercise of their voting rights and thus to adopt a lasting common policy towards the management of the said undertaking;
- 2) voting rights held by the party subject to the obligation to notify under an agreement concluded with that person providing for a temporary transfer for consideration of the voting rights;
- 3) voting rights attaching to shares which are lodged as collateral with the party subject to the obligation to notify, provided that the party controls the voting rights and declares his intention of exercising them;
- 4) voting rights attaching to shares in which the party subject to the obligation to notify has the life interest;

5) voting rights attaching to shares deposited with the party subject to the obligation to notify which the person can exercise at his discretion in the absence of specific instructions from the shareholder therefor;

6) voting rights held by a third party in its own name and on behalf of the party subject to the obligation to notify;

7) voting rights which the party subject to the obligation to notify may exercise as a proxy or agent provided that the person can exercise the voting rights at his discretion in the absence of specific instructions from the shareholder therefor.

Section 7

Calculation of holdings and proportions of voting rights

The proportion to be notified by the shareholder shall include, in addition to the proportions referred to in sections 5 and 6;

1) the holdings and proportion of voting rights of an entity and foundation controlled by the shareholder;

2) the holdings and proportion of voting rights of a pension foundation or pension fund of the shareholder and the entity controlled by it.

Section 8

Exemptions from the obligation to notify

The provisions of this chapter shall not apply to:

1) shares acquired for the sole purpose of clearing and settling for a maximum of four trading days and to custodians of securities holding shares in this capacity provided that they can exercise the voting rights attached to the shares in their custody only under specific instructions;

2) an acquisition or disposal of a holding or proportion of voting rights reaching or exceeding the 5 percent threshold or falling below this threshold by an investment service provider acting in the capacity of a market maker, provided that the market maker does not interfere in the management or the issuer nor influence the issuer to buy such shares or influence their price. It is also required that the market maker notifies the Financial Supervisory Authority of the application of the exemption in the manner to be further provided for in a Decree of the Ministry of Finance;

3) holdings and proportions of voting rights in the trading book of a credit institution or an investment service provider if

a) the proportion in the trading book does not exceed 5 percent of the voting rights or the total number of shares of the offeree company; and if

b) the credit institution or investment service provider ensures that the voting rights attaching to the shares in the trading book are not exercised nor otherwise used to intervene in the management of the issuer.

Section 9

Procedure for making the notification of major shareholding

The notification of major shareholding shall be submitted without undue delay, however, no later than on the next trading day after the shareholder learned or should have learned of the acquisition or disposal or of the possibility of exercising voting rights or of a transaction as a result of which his holding or proportion of voting rights has changed or will change in the manner provided for in section 5 when the transaction takes effect. The shareholder shall be deemed to have been informed of the said transaction no later than two days after the transaction.

The shareholder need not submit the notification of major shareholding if the notification is made by a person exercising control over the shareholder.

Information of the total number of votes and shares, made public by the offeree company in accordance with chapter 8, subsection 6 shall be used in the notification of major shareholding.

Section 10

Disclosure obligation of the offeree company

Upon receipt of the notification of major shareholding, the offeree company shall, without undue delay, disclose the information in the notification of major shareholding.

The offeree company shall not be under an obligation to publish unless the shareholder is subject to the obligation to notify.

The offeree company shall, without undue delay, disclose the information included in the notification of major shareholding of any changes in its holdings or proportions of voting rights in the manner referred to in sections 5 - 7.

Section 11

The language to be used in the notification of major shareholding as well as its publication

The notification of major shareholding shall be submitted in writing in Finnish or in Swedish or in a language customary in international financial markets.

The language to be used in making public the information in the notification of major shareholding by the offeree company shall be governed by chapter 10, subsection 4.

Section 12

Authority to issue decrees

Further provisions may be issued by a Decree of the Ministry of Finance on:

1) the obligation to notify provided for in this chapter for the implementation of the Transparency Directive as well as the regulations issued thereunder by the Commission;

2) the public disclosure of the notification of major shareholding by an offeree company whose corporate-law registered office is in a third country in accordance with the regulation of the said third country on obligation to notify provided that the provisions of the Decree are not contrary to the Transparency Directive.

3) the type of financial instruments and other transactions of which a notification of major shareholding submitted be made in applying sections 5 and 6;

4) the calculation of the holdings and proportions of voting rights of the party subject to the obligation to notify together with the holdings and proportions of voting rights of its parent company when the party subject to the obligation to notify is:

- a) a common fund managed by a management company referred to in the Act on Common Funds;
- b) a management company authorised in another EEA Member State or in a third country or a common fund managed by it;
- c) another type of collective investment undertaking ;
- d) an investment service provider which, in the capacity of an asset manager, manages the holdings and proportions of voting rights.

Section 13

Authority of the Financial Supervisory Authority to grant exemptions

The Financial Supervisory Authority may grant the offeree company an exemption from the obligation to disclose the information in the notification of major shareholding laid down in section 10, if the publication would be contrary to public interest or materially detrimental to the offeree company. The exemption shall be applied for as soon as the obligation arises.

The Financial Supervisory Authority shall grant the offeree company whose corporate-law registered office is in a third country a permission to make public the information in the notification of major shareholding in accordance with the regulation of the said third country provided that the requirements of the legislation of the third country are deemed equivalent to Finnish legislation.

The Financial Supervisory Authority shall notify the European Securities and Markets Authority if it grants a permission referred to in subsection 2.

Chapter 10

Disclosure of and access to regulated information

Section 1

Scope of application

The provisions of this chapter shall be applied to an issuer of a security admitted to trading on a regulated market, whose home Member State for disclosure of periodic information under chapter 7 is Finland. If a security is admitted to trading on a regulated market only in only one EEA Member State other than Finland the disclosure of regulated information shall, instead of section 3, subsection 1, be governed by the provisions of the host EEA Member State on disclosure of regulated information.

Section 3, subsection 1 of this chapter shall also be applied to an issuer whose home Member State for disclosure of periodic information under chapter 7 is other than Finland if the securities of the issuer are admitted to trading on a regulated market only in Finland.

Section 2

Regulated information

Regulated information shall in this Act mean the information which the issuer is required to disclose under chapters 6 - 9 and 11.

Section 3

Dissemination of regulated information and filing with the officially appointed mechanism

The issuer shall disclose the regulated information in a manner ensuring fast and non-discriminatory access to the information. The issuer shall disseminate the information to the key media and make the information available on its website.

The issuer shall, in addition, file the regulated information with the officially appointed mechanism appointed by the Ministry of Finance, as well as to the Financial Supervisory Authority and the operator of the regulated market in question.

Section 4

Language of the regulated information

The regulated information shall be disclosed either in Finnish or in Swedish. The issuer may, however, by permission of the Financial Supervisory Authority, use a language other than Finnish or Swedish in the disclosure.

If a security admitted to trading on a regulated market in Finland has been admitted to trading on a regulated market also in an EEA Member State other than Finland, the regulated information shall be disclosed also in a language approved by the competent authority of the host EEA Member State or in a language customary in international financial markets.

If a security has been admitted to trading on a regulated market in one or more EEA Member States but not in Finland, the regulated information shall be disclosed in a language approved by the competent authority of the host EEA Member State or in a language customary in international financial markets.

An issuer, of the securities of which only non-equity securities with a denomination per unit or accounting par value is at least EUR 100 000 or a corresponding amount in another currency on the date of issue have been admitted to trading on a regulated market, may disclose the regulated information in Finnish or Swedish and in a language approved by the competent authority of the host EEA Member State or in a language customary in international financial markets.

Section 5

Access to regulated information on the website

An issuer shall keep the regulated information referred to in chapters 6 – 9 and 11 as well as information on the choice of home Member State of the issuer referred to in chapter 7, section 3, subsection 3 available to the public on the website for a period of at least five years.

Section 6

Access to regulated information in the officially appointed mechanism

The regulated information submitted to the officially appointed mechanism shall be kept there available to the public for a period of at least five years.

Section 7

Notifications and measures by the Financial Supervisory Authority due to infringements in the EEA

The Financial Supervisory Authority shall notify the competent authority in question and the European Securities and Markets Authority if it finds, as the competent authority of the host EEA Member State, that an issuer, owner or holder of shares or other financial instruments or a party under the obligation to notify its holding or proportion of voting rights in accordance with chapter 9 infringes the provisions of chapters 6 - 10 or the provisions or regulations issued thereunder or the European Union regulations relating to chapters 6 - 10.

If the measures taken by the competent authority of the home Member State of the issuer or of the disclosure of periodic information prove to be insufficient and the infringement referred to in subsection 1 continues, the Financial Supervisory Authority shall, after informing the said authority and the European Securities and Markets Authority of the matter, take all appropriate measures to protect investors. The Financial Supervisory Authority shall, without delay, inform the European Commission and the European Securities and Markets Authority of any measures taken.

Section 8

Authority to issue decrees

Further provisions may be issued by a Decree of the Ministry of Finance on the officially appointed mechanism referred to in section 3, subsection 2 and the access to information referred to in section 6 for the implementation of the Transparency Directive as well as of the regulations issued by the Commission on the basis of the Transparency Directive.

Section 9

Authority to issue regulations of the Financial Supervisory Authority

The Financial Supervisory Authority may issue further regulations on the public disclosure of and access to regulated information referred to in this chapter.

PART IV

TAKEOVER BID AND THE OBLIGATION TO LAUNCH A BID

Chapter 11

Takeover bid and the obligation to launch a bid*Scope of application*

Section 1

General scope of application

With the exception of section 27, this chapter shall be applied when launching a public offer to acquire shares admitted to trading on a regulated market in Finland voluntarily (*voluntary bid*) or obligated by section 19 (*mandatory bid*).

With the exception of section 27, this chapter shall also be applied to bids for other securities entitling to shares if:

- 1) the shares are admitted to trading on a regulated market in Finland and the issuer of the securities entitling thereto is the same as of these shares; or if
- 2) the securities entitling to a share are admitted to trading on a regulated market in Finland and their issuer is the same as of these shares.

Unless otherwise provided for in subsection 1 or 2, section 27 shall be applied when launching a bid to acquire shares subject to trading on an MTF in Finland on application by the issuer of the security.

Section 2

Application of the provisions within the European Economic Area

The provisions of sections 5 and 6, section 10, subsection 2, section 11, subsection 3 as well as of sections 13, 14, 19—22, 26 and 28 shall be applied to the offeree company and its shareholder also when the corporate-law registered office of the offeree company is in Finland and the shares or securities entitling to shares issued by it are admitted to trading on a regulated market in an EEA Member State other than Finland.

Section 3

Restriction of the scope of application

With the exception of section 11, subsection 1 and section 30, subsection 2, the provisions of this chapter shall not be applied to takeover bids where the corporate-law registered office of the offeree company is in an EEA Member State other than Finland if the competent Member State in accordance with the Takeover Bids Directive is other than Finland.

If the corporate-law registered office of the offeree company is in an EEA Member State other than Finland, the provisions of that Member State shall be applied to the opinion of the offeree company of the bid referred to in section 13 and the percentage of voting rights resulting in an obligation to launch a bid referred to in sections 19 - 22 as well as to exemptions from the obligation to launch a bid.

Section 4

Acquisition of own shares with a takeover bid

The provisions of sections 7 - 12, section 15, subsection 1 and 2, section 16, subsection 1 and 2 as well as sections 18 and 26 of this chapter shall be applied also when an offeree company acquires its own shares with a takeover bid.

Definitions

Section 5

Persons acting in concert

Persons acting in concert shall in this chapter mean natural or legal persons who cooperate with the shareholder, the offeror or the offeree company on the basis of an agreement or otherwise aimed at exercising or acquiring significant control of the offeree company or at frustrating the successful outcome of a takeover bid.

Persons acting in concert referred to in subsection 1 shall comprise at least:

- 1) a shareholder and the entities and foundations controlled by him as well as their pension foundations and pension funds;
- 2) the offeree company and the legal persons belonging to the same group and their pension foundations and pension funds;
- 3) a shareholder and the persons in a relationship referred to in chapter 12, section 4, subsection 1, paragraphs 1 - 4 with him.

The Financial Supervisory Authority may, on application and for a special reason, decide that the persons referred to in subsection 2, paragraph 3 shall not be deemed persons acting in concert.

Section 6

A person comparable to a shareholder

The provisions of this chapter on a shareholder shall also be applied to a person who does not own shares but whose proportion of voting rights calculated in accordance with section 20, subsection 1 and 2 exceeds the threshold for the obligation to launch a bid referred to in section 19.

General principles

Section 7

Equivalent treatment

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

Section 8

Obligation to promote the successful outcome of a bid

The offeror may not, with its own actions, frustrate or materially impede the implementation of a takeover bid and the terms set on its realisation.

The offeror and a person acting in concert with it may not, after the disclosure of a bid and prior to the disclosure of its outcome, without a special reason, dispose of the shares issued by the offeree company or securities entitling thereto issued by the offeree company. If securities are disposed of, the offeror shall disclose information on the planned disposal in good time and at the latest five banking days prior to the disposal of the securities.

The bid process

Section 9

Disclosure and communication of a bid

The decision on a takeover bid shall be made public without delay as well as communicated to the offeree company.

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

The publication shall state the quantity of securities referred to in the bid, the time allowed for the acceptance of the bid and the consideration offered as well as any other terms of material importance to the implementation of the bid. The information made public shall also indicate the procedure to be applied if acceptances cover a greater volume of securities than that referred to in the bid. The publication shall also indicate whether the offeror undertakes to comply with the recommendation referred to in section 28, subsection 1 and, if not, grounds therefor.

Prior to announcing the bid, the offeror shall ensure that he can fulfil in full any cash consideration, if such is offered, and take all reasonable measures to secure the implementation of any other type of consideration.

The Financial Supervisory Authority may, on application by the Board of Directors of the offeree company, set a time period for a person who has contacted the offeree company or its shareholders with an intention to launch a takeover bid or made public that he is planning to launch a takeover bid, by which the person shall either make public a takeover bid or notify that he will not launch a takeover bid. The time period may be set if information of an intended takeover bid is likely to distort the normal functioning of the securities markets of the offeree company or of any other company concerned by the bid or hinder the conduct of business operations in the offeree company for longer than is reasonable. If the takeover bid is not disclosed by the time period set or if the person subject to the time period makes a public notification to the effect that he will not launch a takeover bid, the person subject to the time period or a person acting in concert may not launch a takeover bid within six months following the end of the time period or the public notification. The restriction on the launching of a takeover bid ends if a party other than the person subject to the time period or a person acting in concert launches a takeover bid for the securities of the offeree company.

Section 10

Procedure for the disclosure

Notwithstanding the disclosure of the offer document, the disclosure of the information provided for in this chapter shall be governed by the provisions of chapter 10 on the procedure for disclosure, dissemination of and access to the information subject to disclosure. The offeror and the party obliged to launch a bid shall also notify the offeree company of the information subject to disclosure. The offeree company shall notify the offeror of the information subject to disclosure.

After the disclosure, the information required to be disclosed under this chapter shall, without delay, be communicated to the representatives of the offeree company and the offeror company or, where there are no such representatives, to the employees.

Section 11

Offer document

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

The offer document may be disclosed after the Financial Supervisory Authority has approved it. The Financial Supervisory Authority shall, within five banking days from the communication of the document for its approval, decide whether the document may be disclosed. The offer document may be communicated to the Financial Supervisory Authority for approval after the decision on the takeover bid has been made public in accordance with section 9. The offer document shall be approved if it fulfils the criteria set in subsection 1.

After the disclosure of the offer document, the offeree company shall communicate it to the representative of its employees or, where there is no such representative, to the employees themselves.

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

The Financial Supervisory Authority shall recognise as an offer document a prospectus, drawn up of the securities for which the bid is made, which is approved by a competent authority in an EEA Member State and which fulfils the criteria set for an offer document.

Section 12

Time allowed for acceptance

The time allowed for the acceptance of a takeover bid may not be less than three nor more than ten weeks. Legal actions whereby the holding or voting rights attached to the shares offered to be sold in the takeover bid are transferred to the offeror in accordance with the terms of the takeover bid (*completion of the takeover bid*), may not be taken before at least three weeks have lapsed of the time allowed for acceptance of the takeover bid.

The time allowed for the acceptance of a takeover bid may, for a special reason, be more than ten weeks provided that the business operations of the offeree company are not hindered for longer than is reasonable. A notice of the closing of the takeover bid shall be given at least two weeks prior to the closure of the bid.

The Financial Supervisory Authority may, upon an application by the offeree company and, where necessary, without hearing the offeror, order that the time allowed for the acceptance of the takeover bid and the restriction set for the completion of the takeover bid referred to in subsection 1 be extended so that the offeree company can convene the General Meeting of the Shareholders to consider the bid. Due to an extension, the offeror shall have the right to waive the bid within five banking days from being informed of the decision of the Financial Supervisory Authority.

Section 13

Opinion of the offeree company of the takeover bid

The Board of Directors of the offeree company shall make public its opinion of the bid. The opinion shall be made public as soon as possible after the offer document or a draft thereof has been communicated to the offeree company, however, at the latest five banking days prior to the earliest possible close of the time allowed for the acceptance of the bid. The opinion shall be appended to the offer document.

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

- 1) the bid from the perspective of the offeree company and the holders of the securities for which the bid is made;
- 2) the strategic plans of the offeror presented in the offer document and on their likely repercussions on the operations and employment of the offeree company.

The opinion referred to in subsection 1 shall also state whether the offeree company has committed to complying with the recommendation referred to in section 28 issued for procedures to be complied with in takeover bids and, if not, grounds for its non-commitment.

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

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

Section 14

The matters to be decided on at the General Meeting of the Shareholders of the offeree company

If the Board of Directors of the offeree company intends, after a disclosed takeover bid has come to its knowledge, to exercise the share issue authorisation referred to in chapter 9, section 2, subsection 2 of the Limited-Liability Companies Act or decide on actions and arrangements belonging to its general competence referred to in chapter 6, section 2, subsection 1 of the Limited Liability Companies Act so that they prevent or may result in the frustration or materially impede the implementation of the takeover bid or of its material terms, the Board of Directors shall transfer the matter to be decided by the General Meeting of the Shareholders in accordance with chapter 6, section 7, subsection 2. The matter need, however, not be transferred to be decided by the General Meeting of the shareholders if the procedure complies with the general principles of chapter 1 of the Limited-Liability Companies Act and Article 3 of the Takeover Bids Directive and the Board of Directors of the offeree company discloses, without delay, the reason for the non-transfer.

Section 15

Terms of the Takeover Bid

The offeror of a voluntary bid may set terms for the implementation of the bid. A mandatory takeover bid may be conditional only with regard to the necessary decisions by the authorities to be obtained. The offeror shall, without undue delay, disclose that the terms of the takeover bid have been met or that the offeror waives from requiring that the terms be met.

If the offeror has revised the terms of the bid, the provisions of section 9 on the disclosure of the takeover bid and on communicating it and section 11, subsection 4 on supplementing the offer document shall be applied to the revised terms.

The Board of Directors of the offeree company shall supplement its opinion on the takeover bid referred to in section 13 as soon as possible after the revised terms have been communicated to the Board of Directors, however, at the latest five banking days prior to the earliest possible closure of the revised bid.

Section 16

Legal validity of an acceptance of a takeover bid

If the offeror of a voluntary takeover bid has reserved a right to waive or revise certain terms set for the implementation of a takeover bid, the holders of the securities of the offeree company who have accepted the takeover bid may cancel their acceptance during the time allowed for acceptance of the takeover bid until the offeror has disclosed that all the terms of the takeover bid have been met or that he has waived from requiring that they be met.

In situations derogating from those referred to in subsection 1, the holders of the securities of the offeree company who have accepted the takeover bid may cancel their acceptance during the time allowed for acceptance of the takeover bid if the time allowed for acceptance has lasted over ten weeks and the completion of the takeover bid has not taken place.

Notwithstanding the provisions of subsections 1 and 2, the holders of the securities of the offeree company who have accepted the takeover bid may cancel their acceptance during the time allowed for acceptance of the takeover bid if a takeover bid competing with the takeover bid has been disclosed and the completion of the takeover bid has not taken place.

Section 17

Competing bid

If another takeover bid for the securities for which a takeover bid has been made is disclosed (*competing bid*) during the offer period, the first offeror may extend its bid to correspond to the competing bid irrespective of the maximum time laid down in section 12, subsection 1. At the same time, the first offeror may also revise the terms of its bid in accordance with section 15. The decision to extend the offer period and to revise the terms shall be made public. The provisions of section 11, subsection 4 on supplementing an offer document shall be applied to the publication of the decision. The Board of Directors of the offeree company shall supplement its opinion on the takeover bid referred to in section 13 as soon as possible after the competing bid has been disclosed, however, at the latest five banking days prior to the earliest possible closure of the first bid.

If a competing bid has been launched, the offeror of the first voluntary takeover bid may decide that his bid lapses during the offer period prior to the closure of the competing bid. The decision on the lapsing shall be made public.

The Financial Supervisory Authority may, on application by the offeree company, set a date for the competing offerors after which the terms of the takeover bids may no longer be revised. The date may be set to be at the earliest 10 weeks from the disclosure of the first takeover bid if the competing takeover bids are likely to hinder the offeree company in carrying on its business operations for longer than is reasonable.

Section 18

Result of the takeover bid

After the close of the offer period, the offeror shall, without delay, disclose the proportion of holdings and voting rights that he may acquire in the offeree company by acquiring the securities offered for sale subject to the bid and taking into account any securities he has otherwise acquired and previously held. If the bid has been conditional, it shall simultaneously be notified whether the offeror shall implement the bid.

Obligation to launch a takeover bid

Section 19

Mandatory takeover bid

A shareholder, whose proportion of voting rights increases to over 30 percent or to over 50 percent of the votes attaching to the shares of the offeree company (*bid threshold*) after the share of the offeree company has been admitted to trading on a regulated market (*party obliged to launch a bid*), shall launch a takeover bid for all other shares issued by the offeree company and for securities entitling thereto issued by the offeree company.

Section 20

Calculation of the proportion of voting rights

The proportion of voting rights of a shareholder shall comprise:

- 1) the shares held by the shareholder;
- 2) the shares held by the persons acting in concert with the shareholder;
- 3) the shares held by the shareholder or by the persons acting in concert with the shareholder together with another person;
- 4) shares, the proportion of voting rights attached to which the shareholder is entitled to use or direct under a contract or other arrangement.

In calculating the proportion of voting rights of the shareholder, a restriction on voting based on the law or the Articles of Association or on another contract shall not be taken into account. Votes attaching to shares held by the offeree company itself or by an entity or foundation controlled by it shall not be taken into account in calculating the total number of votes of the offeree company.

The question which of the persons referred to in subsection 1 shall be under the obligation to launch a bid shall, in unclear cases, be decided by the Financial Supervisory Authority.

Section 21

Exemptions from the obligation to launch a mandatory takeover bid

If the securities resulting in the exceeding of the bid threshold have been acquired by a takeover bid launched for all the shares of the offeree company and for securities entitling thereto issued by the offeree company or otherwise during the time allowed for acceptance of such takeover bid, the obligation to launch a mandatory bid shall, however, not arise. If the securities resulting in the exceeding of the bid threshold have otherwise been acquired by a takeover bid, the obligation to launch a mandatory takeover bid shall not arise until the voting rights attached to the securities acquired by a takeover bid have transferred to the offeror.

If there is one shareholder in the offeree company whose proportion of voting rights exceeds bid threshold, the obligation to launch a mandatory bid shall not arise to another shareholder until his proportion of voting rights exceeds the proportion of voting rights of the first-mentioned shareholder.

If the exceeding of the bid threshold results solely from measures taken by the offeree company or by another shareholder, the obligation to launch a mandatory takeover bid shall not arise before the shareholder who has exceeded the bid threshold acquires or subscribes to more shares of the offeree company or otherwise raises his proportion of voting rights in the offeree company.

If the exceeding of the bid threshold results from the shareholders acting in concert upon launching a voluntary takeover bid for the offeree company, the obligation to launch a mandatory takeover bid shall not arise if the acting in concert is restricted solely to the launching of the takeover bid.

The obligation to launch a mandatory takeover bid shall no longer exist if the party obliged to launch a bid or another person acting in concert, within one month from the arising of the obligation to launch a bid, waives the proportion of voting rights exceeding the bid threshold by disposing of shares in the offeree company or by otherwise reducing its proportion of voting rights in the offeree company. In order to be exempted from the obligation to launch a bid, the party under the obligation to launch a bid and the persons acting in concert may not, during that time, exercise voting rights in the offeree company. The party obliged to launch a bid shall, in addition, make public its intention to waive the proportion of voting rights exceeding the bid threshold in connection with the disclosure of the arising of the obligation to launch a bid. Information on the falling of the proportion of voting rights below the bid threshold shall be made public without delay.

Section 22

Procedure in a mandatory bid

The party obliged to launch a bid shall, without delay, disclose the arising of the obligation to launch a bid.

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

Pricing of the bid

Section 23

Consideration in a mandatory takeover bid

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

In determining an equitable price, the starting point shall be the highest price for the shares subject to the bid paid during the six months preceding the arising of the obligation to launch a bid by the party under the obligation to launch a bid or by a person in a relationship referred to in section 5 to him. Such price may be derogated from for a special reason.

If the party under the obligation to launch a bid or a person in a relationship referred to in section 5 to him has not within the six months prior to the arising of the obligation to launch a bid acquired securities subject to the bid, the starting point for the determination of an equitable price shall be deemed to be the average of the prices paid for the securities subject to the bid in trading on a regulated market weighted by the volume of the trade. Such price may be derogated from for a special reason.

The party under the obligation to launch a bid and a person in a relationship referred to in section 5 to him shall notify the Financial Supervisory Authority of the shares in the offeree company and the securities issued by the offeree company entitling to its shares he has acquired during the 12 months preceding the arising of the obligation to launch a takeover bid as well as between the arising of the obligation to launch a bid and the close of the takeover bid and the considerations paid therefor.

Section 24

Consideration in a voluntary takeover bid

In a voluntary takeover bid, the consideration may be paid in cash or in securities or as a combination thereof. The offeror may, in a voluntary takeover bid, decide on the consideration freely unless otherwise provided for in subsections 2 and 3 or in section 7.

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

1) the securities offered as consideration are not admitted to trading on a regulated market and they are not applied to be admitted to such trading in connection with the takeover bid; or if

2) the offeror or a person in a relationship referred to in section 5 to him has acquired or will acquire, against a cash consideration, securities of the offeree company entitling to at least five percent of the voting rights of the offeree company within a period of time which begins six months prior to the making public of the takeover bid and ends at the close of the time allowed for the acceptance of the bid.

If a voluntary takeover bid is launched for all the shares and all the securities entitling thereto issued by the offeree company, the starting point in determining the consideration shall be the highest price paid for the securities subject to the bid within the six months preceding the making public of the bid by the offeror or by a person in a relationship referred to in section 5 to him. Such price may be derogated from for a special reason. The provisions of section 23, subsection 4 on the submission of information to the Financial Supervisory Authority shall be applied to such bids.

Section 25

Acquisitions during and after the offer period

If the party launching a takeover bid or a person in a relationship referred to in section 5 to him, after the making public of a voluntary takeover bid or the arising of the obligation to launch a bid and prior to the close of the offer period, acquires securities of the offeree company on terms that are more favourable than those of the bid, the offeror shall change his bid to correspond to this acquisition on more favourable terms (*obligation to raise*).

If the party launching a takeover bid or a person in a relationship referred to in section 5 to him, within nine months from the close of the offer period, acquires securities of the offeree company on terms that are more favourable than those of the bid, the holders of securities who have accepted the takeover bid shall be compensated for the difference between the acquisition on more favourable terms and the consideration offered in the takeover bid (*obligation to compensate*).

If the obligation to launch a bid in accordance with section 19 has arisen in a voluntary takeover bid, the holders of securities who have accepted the voluntary bid shall, in applying subsections 1 and 2, be deemed comparable to the holders of securities who have accepted a mandatory bid.

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

The provisions of this section shall not be applied to the higher price ordered payable for a security of the offeree company on the basis of arbitration based on the Limited Liability Companies Act if the offeror or a person in a relationship referred to in section 5 to him has not offered to acquire securities of the offeree company on terms that are more favourable than those of the bid before or during the arbitration proceedings.

Granting of derogations

Section 26

Granting of derogations

The Financial Supervisory Authority may, for a special reason and on application, grant a permission to derogate from the obligation to launch a bid and the other obligations provided for in this chapter provided that the derogation is not contrary to the general provisions of chapter 1, sections 2 – 4, the general principles of sections 7 and 8 of this chapter nor Article 3 of the Takeover Bids Directive.

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

Miscellaneous provisions

Section 27

Takeover bid on an MTF

Anyone who publicly offers to buy shares or securities entitling to shares admitted to trading on an MTF on application by the issuer of the securities may not place the holders of the securities subject to the takeover bid in an unequal position.

The offeror shall give the holders of the securities of the offeree company essential and adequate information on the basis of which the holders of the securities may make an informed assessment of the bid.

The takeover bid shall be disclosed as well as notified to the holders of the securities, the organiser of an MTF and the Financial Supervisory Authority. Prior to disclosure of the bid, the offeror shall ensure that it can fulfil in full any cash consideration, if such is offered, and take all reasonable measures to secure the implementation of any other type of consideration.

The provisions of section 24, subsections 1 and 3 and section 25 shall be applied to a takeover bid.

Section 28

Recommendation for procedures to be complied with in takeover bids

A listed company shall directly or indirectly belong to an independent body representing the economy on a wide basis and established in Finland which has issued a recommendation to promote compliance with good securities markets practice on the actions of the management of the offeree company with regard to a takeover bid and on structures based on contract relating to maintenance of control or to guide the corporate-law procedures to be complied with in takeover situations. The body may also issue opinions of these questions.

A body referred to in subsection 1 or a comparable body may also, in order to promote compliance with good securities markets practice, issue recommendations and opinions on the scope of application of this Act and the related corporate-law questions other than those referred to in subsection 1. Anyone acting in the securities markets shall have the right to request an opinion of the body.

A listed company shall notify the Financial Supervisory Authority to which body referred to in subsections 1 and 2 it belongs. The body shall, upon request of the Financial Supervisory Authority, submit to the Financial Supervisory Authority its rules and any other information requested by the Financial Supervisory Authority necessary for the supervision.

If a recommendation referred to in subsection 1 has been incorporated in the rules of the stock exchange, the offeror shall undertake to comply with the rules of the stock exchange.

Section 29

Secrecy obligation

No one who upon attending to the tasks referred to in this chapter or as a member or deputy member or a functionary of a body referred to in section 28 has learned an unpublished fact of the financial status or private circumstance of the issuer of a security or of another person or a business or trade secret may reveal or otherwise disclose it or make use thereof unless the disclosure is stipulated by law or otherwise in due order or unless the party in whose favour the confidentiality exists, consents to the disclosure.

Notwithstanding the provisions of subsection 1, if the body referred to in section 28 is a stock exchange, a member or a deputy member or a functionary of a body of the 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 entity organising trading corresponding to a regulated market in another State and subject to supervision by the authorities if the disclosure of the fact is necessary in order to safeguard the efficient supervision of the securities markets. A further precondition shall be that the person is subject to a secrecy obligation corresponding to that provided for in subsection 1.

The right to submit information of the Financial Supervisory Authority shall be governed by the Act on the Financial Supervisory Authority.

Section 30

Authority to issue decrees

The contents and making public of the offer document as well as the exemptions to be granted of its contents shall be further provided for by a Decree of the Ministry of Finance.

The recognition procedure of an offer document approved by a competent authority of an EEA Member State and the translation of such offer document into Finnish or Swedish as well as the additional information to be included therein shall be further provided for a Decree of the Ministry of Finance.

Section 31

Authority to issue provisions of the Financial Supervisory Authority

The Financial Supervisory Authority may issue further regulations on grounds under which the persons referred to in section 5 shall be deemed to act in concert, the grounds of a contract or other arrangement referred to in section 20, subsection 1, paragraph 4 as well as on the grounds for granting the exemptions referred to in section 26.

PART V

MARKET ABUSE

Chapter 12

General provisions

Section 1

Scope of application

Chapters 12 - 14 of this Act shall govern the publicity of transactions entered into by an insider and his inner circle on financial instruments, public and company-specific insider registers as well as market abuse.

Chapters 12 - 14 of this Act shall be applied to a financial instrument which is subject to trading on a regulated market or on an MTF in Finland and to its issuer. The provisions of chapters 12 - 14 on a financial instrument admitted to trading on a regulated market and on an MTF in Finland and its issuer shall be applied to a financial instrument sought to be admitted to trading and to its issuer. Chapter 13 on public and company-specific insider registers shall, however, not be applied to an issuer of a financial instrument admitted to trading on an MTF in Finland unless the financial instrument is admitted to trading on application the issuer.

Chapters 12 - 14 of this Act shall not be applied if the State of Finland, the Bank of Finland or another EEA Member State, its central bank or a regional administrative unit or an international public body, the members of which comprise at least one EEA Member State, or the European Central Bank enters into a transaction on a financial instrument in pursuit of monetary, exchange-rate or public debt-management policy or to a representative of a said entity carrying out such a transaction.

Section 2

Inside information

Inside information shall mean information of a precise nature relating to a financial instrument admitted to trading on a regulated market or on an MTF in Finland which has not been made public or which has not been available in the markets and which is likely to have a material effect on the price of the said financial instrument or other related financial instruments.

Inside information relating to a derivatives contract based on commodities or emission allowances shall mean information of a precise nature relating to a derivatives contract based on a commodity or an emission allowance admitted to trading on a regulated market or on an MTF in Finland which has not been available to the markets in accordance with the provisions or regulations on disclosure of information or with accepted market practices or which is usually submitted to the market and which the market actors would expect to receive.

The provisions of subsection 1 and 2 shall also apply to a financial instrument the price of which shall be determined on the basis of the financial instrument referred to in subsection 1 and 2.

Section 3

Insider

A public insider (*an insider*) shall mean:

1) a member and deputy member of the Board of Directors or the Supervisory Board, the Managing Director and deputy Managing Director as well as an auditor, a deputy auditor, and an employee of

the audit entity with main responsibility for the audit of a Finnish issuer whose share is admitted to trading on a regulated market or on an MTF in Finland;

2) another person belonging to the senior management of an issuer referred to in subsection 1, who has regular access to inside information and who has the right to make decisions on the future development and the arrangement of business operations of the company.

The provisions of subsection 1 shall, in accordance with the Act on European Companies, be applied to a European company registered in Finland.

The provisions of subsection 1 shall also be applied to an insider in an issuer whose corporate-law registered office is in a third country if a share of the issuer is subject to trading on a regulated market in Finland.

Section 4

Inner circle

The *inner circle* of an insider shall comprise:

- 1) the spouse of the insider referred to in the Marriage Act (234/1929);
- 2) a party to a registered partnership of the insider referred to in the Act on Registered Partnerships (950/2001);
- 3) a minor whose guardian the insider is;
- 4) a partner in cohabitation of the insider or another family member of the insider who has lived in the same household with the said insider for at least one year;
- 5) an entity or foundation where the insider or a person referred to in paragraphs 1 - 4 alone or together or where the insider together with another insider of the same issuer or with a person in a relationship referred to in paragraphs 1 - 4 to him have direct or indirect control;
- 6) an entity, of the voting rights attached to its shares or of the total volume of shares or of a corresponding proportion the insider or a person referred to in paragraphs 1 - 4 alone or together own directly or indirectly at least 10 percent and where the said person exercises significant influence when the entity is not admitted to trading on a regulated market or on an MTF;
- 7) a general partnership, whose partner, or a limited partnership, whose general partner is an insider or a person referred to in paragraphs 1 - 4.

The inner circle of an insider shall not comprise limited liability housing companies, limited liability joint-stock property companies referred to in chapter 28, section 2 of the Limited Liability Housing Companies Act (1599/2009), voluntary associations and economic associations or non-profit associations. If an entity is engaged in trading on a financial instrument on a regular basis, it shall, however, be deemed to belong to the inner circle of the insider.

A person shall exercise significant influence in an entity referred to subsection 1, paragraph 6 if he is there in a position referred to in section 3, subsection 1, paragraph 1 or 2 or in a comparable position.

Chapter 13

Public insider register and company-specific insider register

Section 1

Scope of application

This chapter shall govern a public insider register and a company-specific insider register.

Public insider register

Section 2

Duty to notify to the Financial Supervisory Authority

A Finnish issuer whose share is admitted to trading on a regulated market or on an MTF in Finland shall notify to the Financial Supervisory Authority:

- 1) information on its insiders and the inner circle notified by them within 14 days from the date on which the insider started in his task (*insider notification*);

2) any changes in the information referred to in the insider notification within 7 days from the change;

3) the financial instruments referred to in subsection 5 held by the insiders and the inner circle notified by them within 14 days from the date on which the insider started in his task (*notification of insider holdings*);

4) any changes in the holdings of the insiders and their inner circle within 7 days from the change when the value of the financial instruments held changes by at least EUR 5 000.

The insider shall notify the information referred to in subsection 1 to the issuer without undue delay. A person belonging to the inner circle shall notify the information referred to in subsection 1 to the insider without undue delay. An insider shall, with adequate measures, ensure that a person belonging to his inner circle is aware of his duty to notify.

The insider notification and the notification of insider holdings shall contain the information necessary to individualise the person or entity or foundation in question as well as information relating to the transaction.

The provisions of subsection 1 shall be applied also to an issuer whose corporate law place of registered office is in a third country if the share of the issuer is subject to trading on a regulated market in Finland.

The duty to notify shall apply to a share of an issuer admitted to trading on a regulated market or on an MTF in Finland and to a financial instrument the value of which is determined on the basis of the said share.

Section 3

Duty of the issuer to advise an insider

The issuer shall advise an insider in the drafting of the insider notifications and the notifications of insider holdings.

Section 4

Public insider register

The Financial Supervisory Authority shall maintain a public register indicating with regard to each insider the insider and his inner circle, the financial instruments held by the insider and his inner circle as well as an itemization of their acquisitions and disposals (*public insider register*).

Section 5

Maintenance and keeping of the public insider register and access to information

The maintenance of a public insider register 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 number and address of a natural person as well as the name of a natural person other than an insider shall, however, not be public.

The Financial Supervisory Authority shall keep the information contained in the public insider register available to the public on its Internet site. Any changes taken place in the holding of financial instruments shall be kept available on the Internet site over a period of 12 months from the change. The information shall be up-dated without undue delay when an issuer notifies of a change in the information.

Company-specific insider register

Section 6

Company-specific insider register

An issuer of a financial instrument subject to trading on a regulated market or on an MTF in Finland shall maintain a register of persons belonging to its bodies or employed by it who, by virtue of their position or tasks, have access to insider information on a regular basis as well as of other persons

who by virtue of another contract work for the issuer and who have access to insider information on a regular basis (*permanent company-specific insider register*).

In addition, the issuer referred to in subsection 1 shall maintain a register of persons, to whom the issuer discloses insider information relating to an individual project (*project-specific insider register*).

The permanent company-specific insider register and the project-specific insider register form the company-specific insider register.

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

The provisions of this chapter on the duty of an issuer to maintain a company-specific insider register shall also apply to a Finnish issuer the financial instrument issued by which is admitted to trading on a regulated market in another EEA Member State.

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

Section 7

Information to be entered in the company-specific insider register

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

- 1) the date of founding of the register;
 - 2) the necessary identification information of a person;
 - 3) the grounds for entering a person in the register;
 - 4) the time at which the person has been given or he has learned insider information;
 - 5) the time at which the grounds to maintain a company-specific insider register lapsed.
- A company-specific insider register shall be up-dated always when;
- 1) the grounds for entering a person in the register change;
 - 2) a new person is entered in the register;
 - 3) a person entered in the register no longer has access to insider information.

Section 8

Maintenance and keeping of the company-specific insider register

The maintenance of the company-specific insider register shall be arranged in a reliable manner and so that only those entitled to maintain the register may alter the information. An entry shall be made in the register without undue delay.

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

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

The person in charge of the maintenance of the company-specific insider register shall have written guidelines relating to the register.

Section 9

Authority to issue regulations of the Financial Supervisory Authority

The Financial Supervisory Authority may issue further regulations on the contents and manner of submission of the notifications referred to in section 2 as well as on the contents of and the manner of making the entries in the company-specific register referred to in section 6.

Chapter 14

Provisions on market abuse

Section 1

Scope of application of the chapter

This chapter shall govern the use and disclosure of inside information, the manipulation of markets, the obligation of an investment service provider to notify the Financial Supervisory Authority of suspicious transactions, the dissemination of research data and investment recommendations as well as the obligation of an investment service provider to report transactions on financial instruments to the Financial Supervisory Authority.

Section 2

Use and disclosure of inside information

Anyone who has learned inside information as a holder of a financial instrument or by virtue of his position, duties or tasks may not use the information by acquiring or disposing of, for his own account or for the account of a third party, either directly or indirectly, a financial instrument to which the information relates nor advice, directly or indirectly, another party in the acquisition or disposal of such a financial instrument. The provisions of this subsection shall also apply to a person who has learned inside information through a criminal act.

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

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

The provisions of this section shall be applied to a financial instrument admitted to trading on a regulated market or on an MTF in Finland and to a financial instrument the price of which is determined on the basis of the said financial instrument.

The provisions of this section shall be applied to a financial instrument subject to trading on a regulated market or on an MTF in Finland and to a financial instrument the price of which is determined on the basis of the said financial instrument irrespective of whether the transaction on the financial instrument is conducted in Finland.

The provisions of this section shall also be applied to a financial instrument admitted to trading on a regulated market in another EEA Member State and to a financial instrument the price of which is determined on the basis of the said financial instrument when the transaction relating to such financial instrument is conducted in Finland.

The provisions of this section shall not restrict the right to acquire or dispose of a financial instrument in Finland outside a multilateral trading facility which has not, on application by the issuer, been admitted to trading on an MTF.

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

The provisions of this section on the use of inside information shall not be applied to such trading in financial instruments where the issuer acquires its own shares or where the investment service provider stabilises the price of the securities as provided for in the Commission Buy-Back Regulation.

Section 3

Market manipulation

The markets of a financial instrument admitted to trading on a regulated market or on an MTF in Finland may not be manipulated.

Market manipulation shall mean:

1) a misleading offer to purchase or sell, a fictitious transaction and another deceptive action relating to a financial instrument admitted to trading on a regulated market or on an MTF in Finland;

2) business transactions or other actions which are likely to give false or misleading information on the supply of, demand for and price of financial instruments admitted to trading on a regulated market or on an MTF in Finland;

3) transactions or other actions which secure, by a person or persons acting in collaboration, the price of financial instruments admitted to trading on a regulated market or on an MTF in Finland at an abnormal or artificial level;

4) publishing or other dissemination of false or misleading information on a financial instrument admitted to trading on a regulated market or on an MTF in Finland, where the person who published or disseminated the information knew, or should have known, that the information was false or misleading.

The provisions of this section shall also apply to a transaction or other action relating to other than the financial instrument referred to in subsection 1 if it manipulates the market of the financial instrument referred to in subsection 1.

The provisions of this section shall be applied to a financial instrument subject to trading on a regulated market or on an MTF in Finland and to a financial instrument referred to in subsection 3 irrespective of whether the transaction conducted on the financial instrument is conducted in Finland.

The provisions of this section shall also be applied to a financial instrument admitted to trading on a regulated market in another EEA Member State and to a financial instrument referred to in subsection 3 when the transaction relating to such financial instrument is conducted in Finland.

Section 4

Exemption from market manipulation

The provisions of section 3 on market manipulation shall not be applied to trading where the issuer acquires its own shares or where the investment service provider stabilises the price of the securities as provided for in the Commission Buy-Back Regulation.

The provisions of section 3, subsection 2, paragraph 4 shall not apply to an originator of a message provided to the public referred to in the Act on the Exercise of Freedom of Expression in Mass Media (460/2003) who, in originating the message, has undertaken to comply with the rules drafted for persons originating messages in publishing and broadcasting by the trade organisation representing the profession or the rules drafted by a publisher or broadcaster the effects of which correspond to the effects of the Market Abuse Directive and the provisions issued thereunder by the European Commission. The said paragraph shall, however, be applied if the originator of the message derives a specific advantage or profit from the publishing or dissemination.

In the cases referred to in section 3, subsection 2 paragraphs 2 and 3, the transaction or other action shall not constitute market manipulation if it has legitimate grounds and if it conforms to the market practices approved by the Financial Supervisory Authority for the trading on the said regulated market or on the said multilateral trading facility.

In the evaluation of accepted market practices, the following shall be observed:

- 1) transparency of the market practice;
- 2) safeguarding the smooth functioning of the markets;
- 3) effects on the negotiability, efficiency and integrity of the markets;
- 4) effects on the market mechanisms and actors;
- 5) market structures;
- 6) research on market practices;
- 7) the risk included in the market practice on the integrity of other markets;
- 8) other corresponding factors.

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

Section 5

Obligation to disclose relating to market abuse

If a Finnish investment service provider or a branch of a foreign investment service provider located in Finland has reason to suspect that use of inside information or market manipulation in violation of this chapter or chapter 51 of the Penal Code (39/1889) is connected to a transaction in a financial instrument, it shall disclose it to the Financial Supervisory Authority without delay. A person employed by an investment service provider who has reason to suspect that use of inside information or market

manipulation in violation of this chapter or chapter 51 of the Penal Code is connected to a transaction in a financial instrument, it shall disclose it to the investment service provider without delay.

The submission of a disclosure notification may not be revealed to the party being suspected nor to any other person.

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

Section 6

Presentation of research and investment recommendations relating to financial instruments

A Finnish investment service provider and a branch of a foreign investment service provider located in Finland who produces or disseminates research concerning financial instruments admitted to trading on a regulated market or on an MTF in Finland or to their issuers or produces or disseminates other investment recommendations meant for investors or the general public shall take reasonable care to ensure that the information is fairly presented. The investment service provider shall disclose any interests and conflicts of interests possibly connected to the financial instruments to which the information relates.

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

The provisions of subsection 2 shall not apply to the originator of a message provided to the public referred to in the Act on the Exercise of Freedom of Expression in Mass Media if the originator has undertaken to comply with the rules drafted for persons originating messages in publishing and broadcasting by the trade organisation representing the profession or the rules drafter by a publisher or the broadcaster the effects of which correspond to the effects of the Market Abuse Directive and the provisions issued thereunder by the European Commission.

Section 7

Reporting on transactions

A Finnish investment service provider and a branch of a foreign investment service provider in Finland shall report to the Financial Supervisory Authority all transactions carried out in financial instruments admitted to trading on a regulated market or on an MTF in Finland as well as in financial instruments the price of which is dependent on such a financial instrument, without delay and at the latest on the following banking day irrespective of where the transaction was conducted.

The provisions of subsection 1 shall not apply to transactions executed by a branch of a Finnish investment service provider located abroad.

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

- 1) the investment service provider;
- 2) a third party acting on behalf of the investment service provider;
- 3) instead of the investment service provider, a stock exchange or an organiser of a multilateral trading facility or by a corresponding trading facility in another EEA Member State on the trading organised by which the transaction was executed; or by
- 4) instead of the investment service provider, another party maintaining a transaction-pairing and notification system which the Financial Supervisory Authority has separately approved.

The MiFID Implementing Regulation provides further for the transactions to be reported, the information content of the report and the requirements set on the reporting systems as well as for the pre-conditions under which the Financial Supervisory Authority shall approve the party maintaining the system referred to in subsection 3, paragraph 4.

An investment service provider referred to in subsection 1 forwarding an order relating to a financial instrument referred to in subsection 1 to another investment service provider for execution shall report to the Financial Supervisory Authority, without delay and at the latest on the on the following banking day, information on the execution of the transaction as well as on whose behalf the transaction has been executed, if the investment service provider executing the transaction has not reported this information in an appropriate manner. The obligation to report provided for in this subsection shall be governed by the provisions of subsections 2 and 3.

The obligation of the Financial Supervisory Authority to submit reporting information further to the competent authorities of the EEA Member States shall be provided for in the MiFiD Implementing Regulation.

Section 8

Authority to issue regulations of the Financial Supervisory Authority

The Financial Supervisory Authority may issue further regulations on the contents and manner of submission of the notification relating to market abuse referred to in section 5, the implementation of the provisions on research and investment recommendations issued under the Market Abuse Directive and the information content of the report on transactions referred to in section 7, subsection 1 within the limits allowed by the MiFiD Implementing Regulation as well as on the information contents of the report on transactions referred to in section 7, subsection 5 to safeguard efficient supervision. In addition, the Financial Supervisory Authority may issue further regulations on the manner of submission and presentation of the report on transactions referred to in section 7.

PART VI

SANCTIONS, APPEAL AND MISCELLANEOUS PROVISIONS

Chapter 15

Administrative sanctions

Section 1 (258/2013)

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 may be imposed shall be:

- 1) the provision of chapter 5, section 4 of this Act on the submission of the marketing material to the Financial Supervisory Authority;
- 2) the provisions of chapter 8, sections 2 - 7 of this Act on the disclosure obligation;
- 3) the provisions of chapter 9, sections 5 and 9 - 11 of this Act on the obligation to notify major holdings and proportions of voting rights;
- 4) the provisions of chapter 10, sections 5 and 6 of this Act on access to regulated information.

The provisions referred to in section 38, subsection 1, paragraph 2 of the Act on the Financial Supervisory Authority shall, in addition to the provisions of subsection 1, be the provisions of chapter 5, sections 4 and 7 of the repealed Securities Markets Act (495/1989) on the duty to declare and the duty to maintain a register.

The provisions referred to in section 38, subsection 1, paragraph 2 of the Act on the Financial Supervisory Authority shall, in addition to the provisions of subsection 1 and 2 of this section, be the further provisions and regulations relating to the provisions of subsection 1, paragraphs 1 - 4 and subsection 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 may be imposed shall be:

- 1) the provisions of chapter 1, sections 3 and 4 on prohibition to give false or misleading information and the keeping of sufficient information equally available;
- 2) the provisions of chapter 4, sections 1, 6 - 12 as well as sections 14 and 15 on the obligation to publish a prospectus;
- 3) the provisions of chapter 6, sections 4 - 7 and 9, chapter 7, sections 5 - 16 as well as chapter 10, sections 3 and 4 on the disclosure of information;

4) the provisions of chapter 11, sections 7 - 11, 13 and 14, 16 - 19, 22 - 25 and 27 on a takeover bid or the obligation to launch a takeover bid;

5) the provisions of chapter 13, sections 6 - 8 and chapter 14, sections 2, 3, 5 and 6 on a company-specific insider register as well as market abuse.

In addition to the provisions of subsection 1, the provisions referred to in section 40 of the Act on the Financial Supervisory Authority shall also comprise the further provisions and regulations as well as the provisions of Commission regulations and decisions issued under the Prospectus Directive relating to the provisions referred to in paragraphs 1 - 5 of the said subsection.

Section 3

Imposition and enforcement of administrative sanctions

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

Chapter 16

Damages

Section 1

Basis for the liability for damages

Anyone who wilfully or through negligence causes damage to another person through conduct in violation of this Act, the provisions or regulations issued thereunder or of the regulations or decision of the European Commission issued under the Transparency Directive, the Prospectus Directive or the Market Abuse Directive shall be liable to compensate a damage caused by him.

Section 2

Liability for the information submitted in the summary to a prospectus

A damage resulting solely from the information given in the summary to a prospectus referred to in chapter 4, section 9 to be submitted to investors shall be compensated for only if the information is misleading, inaccurate or inconsistent with the other parts of the prospectus or if the summary does not provide the essential information compared to the other parts of the prospectus. The summary shall contain a clear warning in this respect.

Section 3

Liability for the obligation to disclose relating to suspicious transactions

An investment service provider shall be liable to compensate a damage incurred by the client from the notification of a suspicious transaction referred to in chapter 14, section 5 only if the investment service provider has not complied with such diligence that may be reasonably required from it.

Section 4

Application of the Damages Act

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

Section 5

Authority to issue decrees

Further provisions on the contents of the warning included in the summary referred to in section 2 shall be issued by a Decree of the Ministry of Finance.

Chapter 17

Supervisory powers

Section 1

Suspension of a public offer of a security

The Financial Supervisory Authority may order that a public offer of securities be suspended for a maximum of 10 consecutive banking days at a time. The suspension may be ordered if the Financial Supervisory Authority has reasonable grounds for suspecting that the offeror of the security or anyone who is commissioned to carry out the offer acts in violation of this Act or the provisions or regulations issued thereunder. Prior to issuing the order, the Financial Supervisory Authority shall reserve the party to the order a possibility to be heard unless otherwise provided for by the urgency of the matter or by another special reason.

Section 2

Prohibition and rectification decision

The Financial Supervisory Authority may prohibit anyone who, in offering, marketing and exchange of securities and other financial instruments or in fulfilling the disclosure obligation relating to securities and other financial instruments acts in violation of this Act, from continuing or repeating the procedure in violation of this Act. The Financial Supervisory Authority may simultaneously obligate the procedure to be altered or rectified if this is to be deemed necessary due to manifest detriments to investors.

Section 3

A conditional fine

The Financial Supervisory Authority may strengthen compliance with the prohibition or decision referred to in sections 1 and 2 with a conditional fine. The conditional fine shall be ordered payable by the Financial Supervisory Authority. A matter relating to a conditional fine shall be governed by the provisions of the Act on Conditional Imposition of a Fine (1113/1990).

Chapter 18

Appeal and punishments

Section 1

Appeal

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 (586/1996) and section 73 of the Act on the Financial Supervisory Authority. The Administrative Court shall handle an issue referred to in chapter 11, section 12 as urgent.

Section 2

Abuse of inside information, market manipulation and information offence

Punishment for abuse of inside information, intentionally or through gross negligence, in order to obtain financial benefit shall be governed by chapter 51, sections 1 and 2 of the Penal Code.

Punishment for market manipulation in order to obtain financial benefit shall be governed by chapter 51, sections 3 and 4 of the Penal Code.

Punishment for securities markets information offence shall be governed by chapter 51, section 5 of the Penal Code.

Section 3

Breach of the secrecy obligation

Punishment for breach of the secrecy obligation laid down in chapter 11, section 29 shall be sentenced in accordance with chapter 38, section 1 or 2 of the Penal Code unless the act is subject to a more severe punishment elsewhere in the law.

Chapter 19

Provisions on entry into force and transitional provisions

Section 1

Entry into force

This Act enters into force on 1 January 2013.

This Act shall repeal the Securities Markets Act (495/1989), hereinafter *the Act to be repealed* and the Decrees issued thereunder by the Ministry of Finance.

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

The body referred to in chapter 11, section 28 shall, within six months from the entry into force of the Act, issue the recommendation referred to in chapter 11, section 28, subsection 1 as well as, within six months from the entry into force of the Act, the notification referred to in chapter 11, section 28, subsection 3.

The regulations of the Financial Supervisory Authority issued under the Act to be repealed may, where applicable, be applied over a period of six months from the entry into force of the Act unless otherwise provided for in this Act.

The regulations of the Financial Supervisory Authority issued under chapter 5, section 15 of the Act to be repealed may, however, be applied until a date to be provided for by a Decree of the Ministry of Finance.

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

Section 2

Transitional provision on chapter 4

Chapter 4 of the Act shall be applied to prospectuses to be published after the entry into force of the Act. The prospectuses and their supplements published prior to the entry into force of this Act shall be governed by the provisions of the Act to be repealed and the provisions issued thereunder.

Section 3

Transitional provisions on chapter 7

Chapter 7 of the Act shall be applied to the annual financial statement, management report, financial statement release, interim management statement and interim report to be published after the entry

into force of the Act. An issuer may, however, disclose an annual financial statement, a management report, a financial statement release and an interim report in accordance with the provisions in force upon the entry into force of this Act for a financial period and report period that has ended prior to the entry into force of the Act.

The provisions of chapter 7, section 11 on the contents and structure of the interim report shall be applied to the interim reports to be published after the entry into force of the Act.

Section 4

Transitional provision on chapter 8

The provisions of chapter 8, section 2, subsection 2 on transactions in own shares shall be applied to the reaching, exceeding or falling below of the threshold referred to in chapter 9, section 5 taking place after six months have passed from the entry into force of the Act.

Section 5

Transitional provision on chapter 9

The obligation to notify arising within six months from the entry into force of the Act instead of the time period laid down in chapter 9, section 9, subsection 1 relating to the submission of the notification of major shareholding shall be governed by the provisions of the Act to be repealed on the obligation to notify without undue delay.

Section 6

Transitional provisions on chapter 11

The obligation to launch a bid referred to in chapter 11, section 20 shall arise to a shareholder if the bid threshold is exceeded after the entry into force of the Act. If the bid threshold has been exceeded prior to the entry into force of the Act, the provisions of the Act to be repealed shall be applied.

A listed company shall inform the Financial Supervisory Authority within six months from the entry into force of the Act to which body referred to in chapter 11, section 28, subsection 3 it belongs and which body has issued the recommendation referred to in chapter 11, section 28, subsection 1.

The recommendation by the Takeover Committee of the Central Chamber of Commerce relating to the procedures to be complied with regarding takeover bids, issued under the Act to be repealed, shall be applied until the body referred to in chapter 11, section 28, subsection 3 has issued the recommendation referred to in chapter 11, section 28, subsection 1.

Section 7

Transitional provisions on chapters 12 and 13

The Financial Supervisory Authority shall undertake necessary measures to set up a public insider register referred to in chapter 13, section 4 as well as set it up and take it into use on the date to be provided for by a Decree of the Ministry of Finance. The Decree of the Ministry of Finance shall be issued at the latest after three years from the entry into force of the Act.

Until the Financial Supervisory Authority has set up the public insider register and taken it into use, the provisions of chapter 5, sections 3 and 4, 6 and 7 as well as section 15 of the Act to be repealed on publicity of a holding and information to be declared as well as on a public register of insider holdings shall be applied instead of chapter 12, sections 3 and 4 as well as of chapter 13, sections 2 - 5.

Provisions on entry into force and transitional provisions

Section 8

Transitional provisions on chapter 14

Section 7, subsection 5 of chapter 14 on reporting on transactions shall be applied after six months from the entry into force of the Act.

GP 32/2012, Finance Committee Report 11/2012, Reply of Parliament 117/2012

Entry into force and application of the amendment provisions:

12.4.2013/258:

This Act enters into force on 15 April 2013.

GP 4/2013, Finance Committee Report 5/2013, Reply of Parliament 30/2013, Regulation No 648/2012 of the European Parliament and of the Council (32012RO648); Official Journal L 201, 27.07.2012, pp. 1 - 59