

Finansinspektionen's Regulations

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Finansinspektionen's regulations regarding ownership and management assessment

FFFS 2007:22

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decided 27 September 2007.

Finansinspektionen prescribes the following pursuant to

- Chapter 19, section 3 of the Insurance Operations Act (1982:713) and section 49, second paragraph, point 13 of the Insurance Business Ordinance (1982:790),
- section 27a of the Mutual Benefit Societies Act (1972:262),
- section 16a of the Safeguarding of Pension Commitments, etc. Act (1967:531),
- Chapter 16, section 1, point 5 of the Banking and Financing Business Act (2004:297) and Chapter 5, section 2, point 9 of the Banking and Financing Business Ordinance (2004:329),
- Chapter 4, section 4 and Chapter 6, section 4 of the Act (1998:293) on Undertakings of Foreign Insurers and Occupational Retirement Provision in Sweden, and
- Chapter 8, section 2, point 5 of the Electronic Money (Issuance) Act (2002:157).

Scope

Section 1 These regulations contain provisions governing the information a firm and its owners shall submit to Finansinspektionen in conjunction with an ownership and management assessment.

Section 2 These regulations apply to the following financial institutions and their owners:

1. banking companies,
2. savings banks,
3. members' banks,
4. insurance companies,
5. mutual insurance companies,
6. credit market firms,
7. institutions for electronic money,
8. mutual benefit societies conducting business related to occupational pension insurance (occupational pension funds), and
9. pension funds as referred to in section 9a of the Safeguarding of Pension Commitments, etc. Act (1967:531).

These regulations also apply as per the following to foreign credit institutions and insurance undertakings based outside of the EEA that intend to establish or have established a subsidiary or general agency in Sweden:

1. Information shall be submitted in accordance with the provisions in section 5 below with regard to establishment of subsidiaries or general agencies.

2. Representatives for the subsidiary or general agency shall submit information in accordance with the provisions in section 7 below.

Written information to Finansinspektionen

Section 3 A firm listed under section 2 shall submit in writing the information set forth in *Appendices 1–3* to Finansinspektionen in accordance with sections 4–8.

Ownership assessment

Application for permission to acquire shares

Section 4 The information set forth in Appendix 1a or 1b shall be appended to an application for permission to acquire shares in a financial institution.

If the acquirer is a legal person, Appendix 1b shall be used for information about the legal person and Appendix 1c for board members, alternate board members, managing directors and any person serving in the managing director's stead (deputy managing directors) in the acquiring legal person.

The information set forth in Appendix 1c shall be appended to an application for a change in management in a firm that has a qualifying holding in a financial institution.

Application for permission to conduct operations

Section 5 With respect to a natural person who owns a qualifying holding of shares or interests in the firm, the information set forth in Appendix 1a shall be appended to an application for permission to conduct operations. Where the owner is a legal person, Appendix 1b shall be used.

With respect to a board member, alternate board member, managing director or deputy managing director who owns a qualifying holding, the information set forth in Appendix 1c shall be appended to an application for permission to conduct operations.

Application from a legal person subject to financial supervision in another EEA country

Section 6 In accordance with sections 4 and 5, a legal person under the supervision of a financial supervisory authority in another EEA country does not need to include the information in *Appendices 1–3* in its application for ownership assessment.

The legal person shall, however, always include a description or outline of the ownership structure in the group pre- and post-acquisition, with ownership shares stated in percent.

Management assessment

Section 7 A firm, as well as any qualified owner of the firm, shall inform Finansinspektionen when the following persons are appointed in the firm:

- board members
- alternate board members
- managing director or person serving in the managing director's stead, i.e. a deputy managing director.

The firm shall also notify Finansinspektionen when the number of members on the Board of Directors decreases.

An occupational pension fund or pension fund shall, however, only notify Finansinspektionen when the firm appoints or intends to appoint a new or alternate board member.

The information in Appendices 2a and 2b shall be appended to the notification when a new board member, alternate board member, managing director or deputy managing director is appointed in a financial institution.

Simplified ownership and management assessment

Section 8 A firm that has been the subject of an ownership or management assessment at some point during the past 365 days is only required to submit the information set forth in Appendix 3.

These regulations shall enter into force on 1 November 2007, whereupon the following statutes shall be repealed:

1. Finansinspektionen's general guidelines (FFFS 1998:14) regarding ownership and management assessment, and
2. Finansinspektionen's regulations (FFFS 2005:28) regarding an institution's reporting obligation when senior management positions are appointed.

INGRID BONDE

Lennart Torstensson

Appendix 1a

Ownership assessment – natural person

1. State which firm the acquisition relates to and what percentage of the shares and voting rights in the firm is intended to be acquired.
2. Do you or a close relation¹ own shares in the firm or in another firm, which in turn owns shares in the firm referred to in question 1?
3. Include a description or outline of the ownership structure in the group pre- and post-acquisition, with ownership shares stated in percent.
4. Do you or a close relation¹ have any other financial relationships with the firm?
5. Have you been the subject of a suitability assessment by a foreign supervisory authority within the past year? If yes, please explain.
6. During the past five years, have you been a board member, alternate board member, managing director or deputy managing director in a firm which is under the supervision of Finansinspektionen or an equivalent foreign supervisory authority? Has this firm been subject to sanctions from a supervisory authority? If yes, please explain the circumstances.
7. Have you entered into personal bankruptcy in Sweden or in a foreign country? If yes, please explain.
8. Have you been a board member or held a senior position in a firm that has been the subject of a composition or company reorganisation or was placed into insolvent liquidation or the equivalent in Sweden or in a foreign country? If yes, please state the firm's name and explain the circumstances.
9. During the past five years, have you been convicted by a Swedish or foreign court for any crime in respect of which imprisonment is included in the range of penalties specified for the crime? If yes, please explain the circumstances.
10. Would you like to state any other facts or circumstances which might be of relevance in the assessment of this matter?

Note: As a part of the ownership assessment, Finansinspektionen will collaborate with e.g. Rikspolisstyrelsen (Swedish National Police Board), Bolagsverket (Swedish Companies Registration Office), Skatteverket (Swedish National Tax Board), Kronofogdemyndigheten (Swedish Enforcement Authority) and Upplysningscentralen UC AB (UC AB).

¹ Close relation refers to e.g. a spouse, cohabitee, child, parent or other relation with whom you share living accommodations.

The undersigned hereby certifies that the information submitted in this application is correct and complete.

Date:

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Name:

Address, telephone number:

Personal identification number/date of birth:

Appendix 1b

Ownership assessment – legal person

1. State the applicant firm’s name, company registration number and address. A registration certificate for the firm not more than two months old and the firm’s most recent audited annual report should also be appended.
2. State which firm the acquisition relates to and what percentage of the shares and voting rights in the firm is intended to be acquired.
3. Include a description or outline of the entire ownership chain in the group, pre- and post-acquisition, with ownership shares stated in percent.
4. State the other firms in the group that are under the supervision of Finansinspektionen or a corresponding foreign authority.
5. During the past year, has the firm been the subject of a suitability assessment by a foreign supervisory authority? If yes, please explain.
6. Would you like to state any other facts or circumstances which might be of relevance in the assessment of this matter?

Note: As a part of the ownership assessment, Finansinspektionen will collaborate with e.g. Bolagsverket (Swedish Companies Registration Office), Skatteverket (Swedish National Tax Board) and Kronofogdemyndigheten (Swedish Enforcement Authority).

The undersigned hereby certifies that the information submitted in this application is correct and complete.

Date:

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Authorised signatory:
Telephone number:

*Appendix 1c***Management assessment – in conjunction with an ownership assessment**

1. What experience and competence do you have within the financial sector? Please attach a copy of your curriculum vitae.
2. Which firm does the management assessment relate to?
3. Have you previously been a board chairman, board member or alternate board member where one or more board members were not granted a release from liability? If yes, state which firm(s).
4. Have you been the subject of a suitability assessment by a foreign supervisory authority within the past year? If yes, please explain.
5. During the past five years, have you been dismissed from a financial institution? If yes, please explain.
6. During the past five years, have you been a board member, alternate board member, managing director or deputy managing director in a firm which is under the supervision of Finansinspektionen or an equivalent foreign supervisory authority? Has this firm been subject to sanctions from a supervisory authority? If yes to either of the above questions, please explain the circumstances.
7. Have you entered into personal bankruptcy in Sweden or in a foreign country? If yes, please explain.
8. Have you been a board member or held a senior position in a firm that has been the subject of a composition or company reorganisation or was placed into insolvent liquidation or the equivalent in Sweden or in a foreign country? If yes, please state the firm's name and explain the circumstances.
9. During the past five years, have you been convicted by a Swedish or foreign court for any crime in respect of which imprisonment is included in the range of penalties specified for the crime? If yes, please explain.
10. Would you like to state any other facts or circumstances which might be of relevance in the assessment of this matter?

Note: As a part of the management assessment, Finansinspektionen will collaborate with e.g. Rikspolisstyrelsen (Swedish National Police Board), Bolagsverket (Swedish Companies Registration Office), Skatteverket (Swedish National Tax Board), Kronofogdemyndigheten (Swedish Enforcement Authority) and Upplysningscentralen UC AB (UC AB).

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Date:

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Name:

Address, telephone number:

Personal identification number/date of birth:

Appendix 2a

Management assessment – questions for board members and alternate board members

1. What experience and competence do you have within the financial sector? Please attach a copy of your curriculum vitae.
2. Which firm does the management assessment relate to?
3. Are you employed by any other firms than the firm referred to in question 2? If yes, state which firm(s) and your position(s).
4. Have you, in addition to your assignment as a board member or alternate board member, any other function in the firm referred to in question 2 or in the group? If yes, please explain the circumstances.
5. Are you board chairman, board member or alternate board member in a firm other than that referred to in question 2? If yes, state which firm(s).
6. Have you previously been board chairman, board member or alternate board member in a firm where one or more board members were not granted a release from liability? If yes, state which firm(s).
7. Do you directly or indirectly own shares in the firm referred to in question 2, or in any other firm, which represent 10 percent or more of the share capital or voting capital? If yes, state in which firm(s).
8. Do you directly or indirectly own shares in the firm referred to in question 2, or in any other firm, which represent less than 10 percent, but where the holding can still be considered to carry a significant influence on the management of the firm? If yes, state in which firm(s).
9. Do you or a close relation² have any other financial relationships with the firm referred to in question 2?
10. Have you been the subject of a suitability assessment by a foreign supervisory authority within the past year? If yes, please explain.
11. During the past five years, have you been dismissed from a financial company? If yes, please explain.
12. During the past five years, have you been a board member, alternate board member, managing director or deputy managing director in a firm which is under the supervision of Finansinspektionen or an equivalent foreign supervisory authority? Has this firm been subject to sanctions from a supervisory authority? If yes to either of the above questions, please explain the circumstances.

² Close relation refers to e.g. a spouse, cohabitee, child, parent or other relation with whom you share living accommodations.

13. Have you entered into personal bankruptcy in Sweden or in a foreign country? If yes, please explain.

14. Have you been a board member or held a senior position in a firm that has been the subject of a composition or company reorganisation or was placed into insolvent liquidation or the equivalent in Sweden or a foreign country? If yes, please state the firm's name and explain the circumstances.

15. During the past five years, have you been convicted by a Swedish or foreign court for any crime in respect of which imprisonment is included in the range of penalties specified for the crime? If yes, please explain.

16. Would you like to state any other facts or circumstances which might be of relevance in the assessment of this matter?

Note: As a part of the management assessment, Finansinspektionen will collaborate with e.g. Rikspolisstyrelsen (Swedish National Police Board), Bolagsverket (Swedish Companies Registration Office), Skatteverket (Swedish National Tax Board), Kronofogdemyndigheten (Swedish Enforcement Authority) and Upplysningscentralen UC AB (UC AB).

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Date:

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Name:

Address, telephone number:

Personal identification number/date of birth:

*Appendix 2b***Management assessment – questions for the managing director and deputy managing director**

1. What experience and competence do you have within the financial sector? Please attach a copy of your curriculum vitae.
2. Which firm does the management assessment refer to?
3. Are you managing director or deputy managing director in any other firms than the firm referred to in question 2? If yes, state in which firm(s) and your position(s).
4. Are you employed by any other firms than the firm referred to in question 2? If yes, state in which firm(s) and your position(s).
5. Have you, in addition to your assignment as managing director or deputy managing director, any other function in the firm referred to in question 2 or in the group? If yes, please explain.
6. Are you board chairman, board member or alternate board member in a firm other than the firm referred to in question 2? If yes, state which firm(s).
7. Have you previously been board chairman, board member or alternate board member where one or more board members were not granted a release from liability? If yes, state which firm(s).
8. Do you directly or indirectly own shares in the firm referred to in question 2, or in any other firm, which represent 10 percent or more of the share capital or voting capital? If yes, state which firm(s).
9. Do you directly or indirectly own shares in the firm referred to in question 2, or in any other firm, which represent less than 10 percent but where the holding can still be considered to carry a significant influence on the management of the firm? If yes, state which firm(s).
10. Do you or a close relation³ have any other financial relationships with the firm referred to in question 2?
11. Have you been the subject of a suitability assessment by a foreign supervisory authority within the past year? If yes, please explain.
12. During the past five years, have you been dismissed from a financial company? If yes, please explain.

³ Close relation refers to e.g. a spouse, cohabitee, child, parent or other relation with whom you share living accommodations.

13. During the past five years, have you been a board member, alternate board member, managing director or deputy managing director in a firm which is under the supervision of Finansinspektionen or an equivalent foreign supervisory authority? Has this firm been subject to sanctions from a supervisory authority? If yes to either of the above questions, please explain the circumstances.

14. Have you entered into personal bankruptcy in Sweden or in a foreign country? If yes, please explain the circumstances.

15. Have you been a board member or held a senior position in a firm that has been the subject of a composition or company reorganisation or was placed into insolvent liquidation or the equivalent in Sweden or a foreign country? If yes, please state the firm's name and explain the circumstances.

16. During the past five years, have you been convicted by a Swedish or foreign court for any crime in respect of which imprisonment is included in the range of penalties specified for the crime? If yes, please describe the circumstances.

17. Would you like to state any other facts or circumstances which might be of relevance in the assessment of this matter?

Note: As a part of the management assessment, Finansinspektionen will collaborate with e.g. Rikspolisstyrelsen (Swedish National Police Board), Bolagsverket (Swedish Companies Registration Office), Skatteverket (Swedish National Tax Board), Kronofogdemyndigheten (Swedish Enforcement Authority) and Upplysningscentralen UC AB (UC AB).

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Date:

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Name:

Address, telephone number:

Personal identification number/date of birth:

Appendix 3

Simplified ownership and management assessment for persons who have been subject to an ownership or management assessment during the past 365 days

1. Has anything changed with regards to the information submitted during Finansinspektionen's most recent ownership or management assessment? If yes, please specify.

Note: As a part of the ownership and management assessment, Finansinspektionen will collaborate with e.g. Rikspolisstyrelsen (Swedish National Police Board), Bolagsverket (Swedish Companies Registration Office), Skatteverket (Swedish National Tax Board), Kronofogdemyndigheten (Swedish Enforcement Authority) and Upplysningscentralen UC AB (UC AB).

The undersigned hereby certifies that the information submitted in this application is correct and complete.

Date:

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Name/authorised signatory:

Address, telephone number:

Personal identification number/date of birth/company registration number: