

12/10/2021

DECISION

Nord Fondkommission AB
via the Chair of the Board
111 52 Stockholm

FI Ref. 19-25079
Notification 1



Finansinspektionen
Box 7821
SE-103 97 Stockholm
[Brunnsgatan 3]
Tel +46 8 408 980 00
Fax +46 8 24 13 35
finansinspektionen@fi.se
www.fi.se

Withdrawal of authorisation

Finansinspektionen's decision (to be announced 13 October 2021 at 8:00 a.m.)

1. Finansinspektionen withdraws all of Nord Fondkommission AB's (556832-1342) authorisations to conduct securities business and authorisations for ancillary services. The authorisations refer to
 - a) receipt and forwarding orders for one or more financial instruments,
 - b) execution of orders on behalf of clients,
 - c) investment advice,
 - d) placement of financial instruments without fixed commitments, and
 - e) safeguarding of financial instruments on behalf of clients and receipt of funds with a reporting obligation.

(Chapter 25, section 1 of the Securities Market Act [2007:528])

2. Finansinspektionen withdraws Nord Fondkommission AB's authorisation to be registered as a manager of fund units.

(Chapter 4, section 12, third paragraph of the Swedish UCITS Act [2004:46] and Chapter 12, section 5 of the Alternative Investment Fund Managers Act [2004:561])

3. Finansinspektionen decides that the business must be wound up no later than 31 January 2022 and that this must occur in accordance with the conditions set out in *Appendix 1*. Nord Fondkommission AB must provide a description to Finansinspektionen no later than 29 October 2021 of how the business will be wound up.

Nord Fondkommission AB must submit to Finansinspektionen a notification that the business has been wound up no later than 31 January 2022. The information must be confirmed by the firm's auditor.

(Chapter 25, section 6, first paragraph of the Securities Market Act)

4. Finansinspektionen's decision according to the above applies immediately.

(Chapter 26, section 1, fourth paragraph of the Securities Market Act, Chapter 14, section 1, fourth paragraph of the Swedish UCITS Act, and Chapter 16, section 1, fourth paragraph of the Alternative Investment Fund Managers Act)

To appeal the decision, see *Appendix 2*.

Summary

Nord Fondkommission AB (Nord or the company) is a securities company with authorisation to conduct, among other activities, securities business pursuant to the Securities Market Act (2007:528).

Finansinspektionen investigated how Nord ensures that the company considers the interests of its customers when providing investment advice through tied agents. The investigation shows in part that the company has violated a number of central customer protection provisions when it has sold high-risk corporate bonds to retail customers. For example, Nord has received remuneration from issuers of corporate bonds without identifying or handling this remuneration as third-party remuneration. On other occasions, Nord has also handled third-party remuneration incorrectly. Other deficiencies identified by Finansinspektionen relate to the rules on product governance, suitability assessments, information to customers and conflicts of interest.

Nord has also demonstrated considerable deficiencies in its internal governance and control. The company has conducted a large portion of its business through tied agents, but the company's organisation, governance control, and compliance function have not been subsequently adapted.

Finansinspektionen also conducted an investigation of Nord in 2016 and 2017. The deficiencies that were identified then are of the same character as some of those identified now. Finansinspektionen takes a serious view on the continued presence of these deficiencies.

Nord has conducted a number of severe violations and thereby is showing that the company does not have the ability to follow the basic rules that are established for protecting customers who invest in financial instruments. The company has thus demonstrated an indifference to and a lack of knowledge about the regulatory framework, and this behaviour is not in line with the requirements on the companies conducting authorised business activities on the financial market. Finansinspektionen makes the overall assessment that there is no possibility for deciding on a warning and the only measure that can apply is to withdraw the company's authorisation. The decision will go into effect immediately.