

**Translation from Finnish****Legally binding only in Finnish and Swedish****Act on the Financial Supervisory Authority**

*(878/2008; amendments up to 445/2023 included)*

By decision of Parliament, the following is enacted:

**Chapter 1****General provisions****Section 1****Objective**

The activities of the Financial Supervisory Authority are aimed at ensuring financial stability and the necessary smooth operation of credit, insurance and pension institutions, and other supervised entities, so as to safeguard the interests of the insured and maintain confidence in the financial markets.

**Section 2****Administrative status and applicable law**

The Financial Supervisory Authority shall operate in connection with the Bank of Finland. Consideration by the Government of matters concerning the Financial Supervisory Authority shall fall within the competence of the Ministry of Finance.

In addition to this Act, the Act on the Bank of Finland (214/1998), the Act on Officials of the Bank of Finland (1166/1998) and other provisions concerning the Bank of Finland shall apply to the administration of the Financial Supervisory Authority, unless otherwise provided in this Act.

In addition to this Act, the Act on the Supervision Fees of the Financial Supervisory Authority (879/2008) shall apply to the covering of costs arising from the activities of the Financial Supervisory Authority.

### **Section 3**

#### **Mission**

The Financial Supervisory Authority shall supervise the operations of financial market participants, as provided in this Act and in other acts. The Financial Supervisory Authority shall also foster compliance with good practice in, and public awareness of, financial markets.

In order to fulfil its tasks separately provided in law, the Financial Supervisory Authority shall

- 1) grant authorisation to financial market participants, register financial market participants and confirm rules concerning their operations;
- 2) monitor that financial market participants comply with the provisions applicable to them governing financial markets and the regulations issued thereunder, the terms of their authorisation and the rules concerning their operations;
- 3) monitor the issuance of, and trading in, financial instruments and compliance with the provisions and regulations governing clearing and custodial services;
- 4) supervise compliance with International Financial Reporting Standards, as provided below;
- 5) monitor that financial market participants comply with the Act on Preventing Money Laundering and Terrorist Financing (444/2017) and the regulations issued thereunder; (23.3.2023/445)
- 6) issue regulations necessary for application of the Act as separately provided in law;  
*Paragraphs 7–7a were repealed by Act 29.12.2016/1442.*
- 7b) engage in auditor oversight as laid down in chapter 9, section 2 of the Auditing Act (1141/2015); (18.9.2015/1145)
- 8) perform its other statutory duties. (19.12.2014/1198)

In addition, the Financial Supervisory Authority shall

- 1) monitor and evaluate developments in financial markets and the rest of the operating environment for financial market participants, and the evolution of other general operating conditions;

- 2) introduce initiatives for the development of financial market legislation and other requisite measures, and participate in the preparation of legislation;
- 3) monitor and analyse the availability and pricing of basic banking services;
- 4) foster reliable corporate governance systems in those financial market participants whose financial position it monitors;
- 5) collect and regularly publish comparable data on financial market participants' financial position and otherwise contribute to access to information on financial services and financial market activity;
- 5a) participate in the preparation of a list of the most representative services linked to a payment account and standardised terminology in accordance with Directive 2014/92/EU of the European Parliament and of the Council on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features, hereinafter referred to as the Payment Accounts Directive, and publish the final list in compliance with Article 3 of the stated Directive; (9.12.2016/1055)
- 5b) provide a website that compares prices charged by service providers for their payment services, provisions on this being laid down in the Credit Institutions Act (610/2014); (9.12.2016/1055)
- 5c) supply the Commission with information for the purposes of evaluation under the Payment Accounts Directive, in compliance with Article 27 of the Directive; (9.12.2016/1055)
- 6) participate in national cooperation between authorities;
- 7) participate in European Union cooperation within the framework of the European System of Financial Supervisors (ESFS) as referred to in section 3a, and in other international supervisory cooperation; (4.3.2011/194)
- 8) participate in the activities of the Single Supervisory Mechanism referred to in section 3a and assist the European Central Bank, hereinafter referred to as the ECB, in the Single Supervisory Mechanism; (29.12.2016/1442);  
*Paragraphs 9–10 were repealed by Act 29.12.2016/1442.*
- 11) attend to the duties of a regulatory authority regarding the Global Legal Entity Identifier System and participate in other official cooperation related to it; (8.8.2014/611)
- 12) prepare, together with the Ministry of Finance and the Bank of Finland, measures necessary to ensure the stability of the financial system as a whole and decide on such measures as separately provided for by law. (8.8.2014/611)

The Financial Supervisory Authority shall attend to the responsibilities under this law and elsewhere in law, unless otherwise provided by the Council Regulation (EU) No 1024/2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions, hereinafter referred to as SSM Regulation. (8.8.2014/611)

The Financial Supervisory Authority may bring a representative action as referred to in the Act on Injunctive Measures in Representative Actions (1109/2022). (20.12.2022/1109)

### **Section 3a (8.8.2014/611)**

#### **Single Supervisory Mechanism and European System of Financial Supervision**

The Financial Supervisory Authority is a member of the Single Supervisory Mechanism comprising the ECB and national competent authorities, as referred to in the SSM Regulation. (29.12.2016/1442)

The Financial Supervisory Authority is a member of the European System of Financial Supervision designed to strengthen the supervision of the financial system of the European Union, as referred to in Regulation (EU) No 1093/2010 of the European Parliament and of the Council establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC; 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; and Regulation (EU) No 1094/2010 of the European Parliament and of the Council establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC, hereinafter referred to as *European Financial Supervision Regulations*; and Regulation (EU) No 1092/2010 of the European Parliament and of the Council on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board, hereinafter referred to as *Regulation on the European Systemic Risk Board*.

In the performance of its duties, the Financial Supervisory Authority shall, in addition to the provisions laid down elsewhere in law, also consider the decisions, guidelines and

recommendations of the ECB, as referred to in the Regulation mentioned in section 3, subsection 4, and the legal acts adopted by the ECB by virtue of the said Regulation, and the decisions, guidelines and recommendations issued by the European Banking Authority, the European Securities and Markets Authority and the European Insurance and Occupational Pensions Authority, as referred to in the Regulations mentioned in subsection 2, hereinafter referred to as the European Supervisory Authorities, the recommendations of the European Systemic Risk Board and the legal acts of the European Commission containing technical standards and adopted by the Commission under the competence afforded to it by the European Financial Supervision Regulations.

If compliance with a guideline or recommendation of a European Supervisory Authority or the European Systemic Risk Board is not possible, the Financial Supervisory Authority shall specify the grounds for diverging from the guideline or recommendation and relate these to the appropriate European Supervisory Authority or the European Systemic Risk Board. (29.12.2016/1442)

In the cases referred to in the European Union financial market legislation and as provided for by the SSM Regulation, the European Financial Supervision Regulations and the Regulation on the European Systemic Risk Board, the Financial Supervisory Authority shall

- 1) cooperate with the ECB, the European Supervisory Authorities and the Joint Committee of the European Supervisory Authorities as referred to in the European Financial Supervision Regulations, and with the European Systemic Risk Board;
- 2) deliver to the ECB, the European Supervisory Authorities, the European Systemic Risk Board and the Joint Committee of the European Supervisory Authorities such information as is necessary for the performance of their duties.

### **Section 3b (4.3.2011/194)**

#### **Cooperation in the preparation of legal acts, regulations and guidelines (8.8.2014/611)**

The Financial Supervisory Authority shall fulfil its mission as referred to in section 3, subsection 2, paragraph 6 and, regarding the regulation of financial markets, in section 3a, in cooperation with the Ministry of Finance, the Ministry of Social Affairs and Health and any other competent ministries.

The Financial Supervisory Authority shall forthwith inform the Ministry of Finance and Ministry of Social Affairs and Health of

- 1) a legal act under preparation by the ECB, if the act may have an effect on Finnish legislation;
- 2) a technical standard or guideline under preparation by a European Supervisory Authority, if the Financial Supervisory Authority assesses that such technical standard or guideline may have an effect on Finnish legislation;
- 3) any other matters under consideration by the ECB, a European Supervisory Authority or the European Systemic Risk Board which the Financial Supervisory Authority assesses may have an effect on the functioning or stability of Finnish financial markets.

(8.8.2014/611)

### **Section 3c (16.6.2017/352)**

#### **Cooperation between authorities in the prevention and combat of crime**

The Financial Supervisory Authority cooperates with the Financial Intelligence Unit, the police, the Grey Economy Information Unit, the tax authorities and other competent authorities to prevent and combat crime.

If in the exercise of supervision or other statutory duties, the Financial Supervisory Authority finds or suspects that financial services are or the financial system is being used or will be used for criminal purposes, it shall report this without delay to the competent authority referred to in subsection 1. Provisions on the disclosure of confidential information are laid down in section 71.

The Government may issue a decree with more detailed provisions on the modalities of the cooperation referred to in this section.

### **Section 3d (29.12.2016/1442)**

#### **Cooperation with the Financial Stability Authority**

The Financial Supervisory Authority together with the Financial Stability Authority referred to in the Act on the Act on the Finnish Stability Authority (1195/2014) exercise supervision to ensure that

those operating in financial markets observe the provisions applying to them under the Act on the Resolution of Credit Institutions and Investment Firms (1194/2014), hereinafter referred to as the *Resolution Act*.

The Financial Supervisory Authority and the Financial Stability Authority shall engage in mutual cooperation. The Financial Supervisory Authority shall consult the Financial Stability Authority before embarking on measures under chapter 3 or 4 of this Act if the supervised entity or other financial market participant acts in violation of the Resolution Act or Commission regulations and decisions issued on the basis of or the Resolution Directive referred to in chapter 1, section 4, paragraph 1 of the Act.

### **Section 3e (28.12.2017/1071)**

#### **Cooperation with the Energy Authority**

The Financial Supervisory Authority works together with the Energy Authority to ensure efficient supervision of the market for emission rights, electricity and natural gas and their derivative markets.

Before taking supervisory measures relating to trading in derivative contracts based on electricity or natural gas, the Financial Supervisory Authority shall consult the Energy Authority where the measures would have an obvious material effect on the operation of the market for electricity or natural gas, the operational reliability of electricity or natural gas, or the operation of a corporation with systemic responsibility under the Electricity Market Act (588/2013) or the Natural Gas Market Act (587/2017), unless the urgency of the matter provides otherwise. (1071/2017)

### **Section 4 (14.12.2012/752)**

#### **Supervised entities**

For the purposes of this Act, *supervised entity* means an entity, institution or private entrepreneur referred to in subsections 2–4. (15.3.2019/296)

For the purposes of this Act, *authorised supervised entity* means:

- 1) a credit institution or the branch of a third country credit institution as referred to in the Credit Institutions Act; (9.12.2016/1055)
  - 2) an insurance company or special purpose vehicle as referred to in the Insurance Companies Act (521/2008); (20.3.2015/311)
  - 3) an employee pension insurance company as referred to in the Act on Employee Pension Insurance Companies (354/1997);
  - 4) a fund management company as referred to in the Act on Common Funds (213/2019) and a depository authorised under the said Act; (22.2.2019/215)
  - 5) an investment firm and the branch of a third country firm as referred to in the Investment Services Act (747/2012); (15.3.2019/296)
  - 6) a stock exchange as referred to in the Act on Trading in Financial Instruments (1070/2017); (29.6.2021/599)
- Paragraph 7 was repealed by Act 16.6.2017/352.*
- 8) a central securities depository as referred to in the Act on the Book-Entry System and Settlement Activities (348/2017), including a registration fund established by such; (16.6.2017/352)
  - 8a) a Finnish central counterparty as referred to in the Act on the Book-Entry System and Settlement Activities; (12.4.2013/254)
  - 9) a payment institution as referred to in the Payment Institutions Act (297/2010); (12.4.2013/254)
  - 10) a branch of a third country insurance company as referred to in the Act on Foreign Insurance Companies (398/1995); (12.4.2013/254)
  - 11) a central body as referred to in the Act on a consolidation of deposit banks (599/2010); (7.3.2014/170)
  - 12) an alternative investment fund manager with authorisation as an alternative investment fund manager under the Act on Alternative Investment Fund Managers, or a depository authorised under the said Act; (14.12.2018/1108);
  - 13) an entity as referred to in Article 27(2) of Regulation (EU) 2017/2402 of the European Parliament and of the Council laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, hereinafter referred to as *Securitisation Regulation*, as has been granted authorisation as referred to in Article 28 of the said Regulation; (29.6.2021/599)

14) a holding company that has been granted authorisation to pursue holding company activities as stipulated in chapter 2a of the Credit Institutions Act; (29.6.2021/599)

15) an approved public arrangement as referred to in Article 2(1)(34), and an approved reporting mechanism as referred to in Article 2(1)(36), of Regulation (EU) No 600/2014 on markets in financial instruments and amending Regulation (EU) No 648/2012, hereinafter referred to as *EU Markets in Financial Instruments Regulation*, that the Financial Supervisory Authority has granted authorisation and for the supervision of which it is responsible under Article 27b(1), second paragraph of the said Regulation; (1.4.2022/205)

16) a crowdfunding service provider as referred to in section 3, paragraph 1 of the Crowdfunding Act (203/2022). (1.4.2022/205)

In applying the provisions of chapter 3 of this Act, an insurance association as referred to in the Local Mutual Insurance Associations Act (1250/1987), an employee benefit fund as referred to in the Employee Benefit Funds Act (948/2021), a pension fund as referred to in the Pension Funds Act (946/2021), a supplementary pension fund and an EEA supplementary pension fund as referred to in the Act on Supplementary Pension Funds (947/2021), a holding company of a credit institution, investment firm, insurance company or insurance association other than that referred to in subsection 2, paragraph 14, and a holding company of a conglomerate as referred to in the Act on the Supervision of Financial and Insurance Conglomerates (699/2004) shall be considered comparable to an authorised supervised entity. (19.11.2021/954)

For the purposes of this Act, *other supervised entity* means:

- 1) the holding company of a credit institution, investment firm, insurance company or insurance association or the holding company of a conglomerate as referred to in the Act on the Supervision of Financial and Insurance Conglomerates;
- 2) the holding company of a stock exchange or central securities depository; (16.6.2017/352)
- 3) a guarantee fund as referred to in chapter 13 of the Credit Institutions Act or an investor compensation fund as referred to in the Investment Services Act; (19.12.2014/1198)
- 4) an insurance association as referred to in the Local Mutual Insurance Associations Act;
- 5) a sickness fund and other employee benefit fund as referred to in the Employee Benefit Funds Act; (19.11.2021/954)
- 6) a pension fund as referred to in the Pension Funds Act and a supplementary pension fund and an EEA supplementary pension fund as referred to in the Act on Supplementary Pension Funds;

(19.11.2021/954)

7) an unemployment fund or auxiliary fund of unemployment funds as referred to in the Unemployment Funds Act (603/1984);

8) The Farmers' Social Insurance Institution referred to in the Farmers Pensions Act (1280/2006) and The Seafarer's Pension Fund referred to in the Seafarer's Pensions Act (1290/2006);

9) The Employment Fund as referred to in the Act on Financing Unemployment Benefits (555/1998); (18.6.2021/524)

10) a benchmark administrator that does not constitute an authorised supervised entity as referred to in subsection 2 and that has been granted authorisation by the Financial Supervisory Authority by virtue of Article 34 of Regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, hereinafter referred to as *Benchmark Regulation*. (29.6.2021/599)

The Financial Supervisory Authority shall supervise the operations of the Finnish branches of foreign EEA supervised entities and the operations of foreign EEA supplementary pension institutions in Finland, and the provision of services in Finland by foreign supervised entities without establishment of a branch. Provisions on supervisory duties are also laid down in chapters 5 and 6. (29.12.2016/1442).

The Financial Supervisory Authority shall supervise the investment operations of the State Pension Fund and the Nuclear Waste Management Fund and their compliance with the provisions of insider registers and declarations of insider holdings; the financing activity planning and investment operations of the Keva pensions institution and its compliance with the provisions of insider registers and declarations of insider holdings; and the pension fund of the Church Central Fund. Provisions on supervisory duties are also laid down in the State Pension Fund Act (1297/2006), the Nuclear Energy Act (990/1987), the Act on Keva (66/2016) and the Church Act (1054/1993). (26.3.2021/270)

## **Section 5 (14.12.2012/752)**

### **Other financial market participants**

For the purposes of this Act, *other financial market participant* means:

- 1) an issuer of securities admitted to trading on a regulated market or MTF in Finland, or of securities for which admission to trading on a regulated market or MTF in Finland has been sought, as well as any other party obliged to publish a prospectus as referred to in chapter 3, section 1 of the Securities Markets Act (746/2012), or offering securities under chapter 1, section 4 of the said Act; (19.12.2018/1229)
- 2) an accounting entity whose securities have been admitted to trading, as referred to in paragraph 1 in an EEA member state other than Finland, or for whose securities such admission to trading has been sought;
- 3) a trading participant other than an investment service provider as referred to in chapter 1, section 2, subsection 1, paragraph 15 of the Act on Trading in Financial Instruments; (28.12.2017/1071)
- 4) a clearing party as referred to in chapter 1, section 3, paragraph 6 of the Act on the Book-Entry System and Settlement Activities;
- 5) an account manager as referred to in chapter 1, section 3, paragraph 9 of the Act on the Book-Entry System and Settlement Activities;
- 6) an insider as referred to in chapter 7, section 12 of the Investment Services Act, chapter 3, section 29 of the Act on Trading in Financial Instruments, chapter 2, section 17 of the Act on the Book-Entry System and Settlement Activities and chapter 3, section 6 of the Act on Common Funds, and a party liable to declare as referred to in chapter 3, section 8 of the Act on Common Funds and a person discharging managerial responsibilities as referred to in Article 3(1)(25) of Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse and repealing directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, hereinafter referred to as *Market Abuse Regulation*, and a person closely associated as referred to in Article 3(1)(26); (22.2.2019/215)
- 7) an offeror of a voluntary takeover bid, as referred to in chapter 11, section 1 of the Securities Market Act, a shareholder as referred to in section 19, an offeror of a takeover bid as referred to in section 27, and any other person acting in concert with them, as referred to in section 5;
- 8) a party who by virtue of chapter 9, section 5 of the Securities Markets Act, is obliged to submit a notification of major holdings as referred to in the said section;
- 9) a foreign entity acting as a custodian, as referred to in section 2, subsection 1, paragraph 2 of the Act on Securities Accounts (750/2012);
- 10) a party who under chapter 2, section 11 of the Act on Trading in Financial Instruments, chapter 4, section 7 of the Act on Common Funds, chapter 7, section 9 of the Act on Alternative Investment Fund Managers, chapter 3, section 1 of the Credit Institutions Act, chapter 6a, section

1 of the Investment Services Act, section 11 of the Act on the Supervision of Financial and Insurance Conglomerates, chapter 4, section 5 of the Insurance Companies Act, section 21a or 21c of the Payment Institutions Act, or Regulation (EU) No 909/2014 of the European Parliament and of the Council on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012, hereinafter referred to as *EU Central Securities Depositories Regulation*, is obliged to notify the Financial Supervisory Authority of the acquisition and transfer of shares and participations; (29.6.2021/599)

11) the Finnish Workers' Compensation Center referred to in the Workers' Compensation Act (459/2015); (29.12.2016/1442)

12) the Finnish Motor Insurers' Centre referred to in the Act on the Finnish Motor Insurers' Centre (461/2016) and the Traffic Accident and Patient Injury Board referred to in the Act on the Traffic Accident and Patient Injury Board (959/2019); (22.8.2019/963)

13) the Patient Insurance Centre referred to in the Act on the Patient Insurance Centre (949/2019); (22.8.2019/963)

14) the Finnish Centre for Pensions referred to in the Act on the Finnish Centre for Pensions (397/2006);

15) the Finnish Environmental Insurance Centre referred to in the Environmental Damage Insurance Act (81/1998);

*Paragraph 16 was repealed by Act 18.6.2021/524.*

17) an insurance intermediary and ancillary insurance intermediary as referred to in the Act on Insurance Distribution (234/2018), including foreign insurance intermediaries registered in an EEA Member State other than Finland; (20.4.2018/241)

18) a real estate fund as referred to in the Real Estate Funds Act (1173/1997);

19) a credit rating agency as referred to in Regulation (EC) No 1060/2009 of the European Parliament and of the Council on credit rating agencies; (21.12.2012/902)

20) a party who is liable to make a notification under Article 5(1) of Regulation (EU) No 236/2012 of the European Parliament and of the Council on short selling and certain aspects of credit default swaps, hereinafter referred to as Short-Selling Regulation, disclose information under Article 6(1), or make a notification under Article 7(1) or Article 8; or a party who is liable to comply with the restrictions provided for in Articles 12, 13 or 14, who submits a notification of an exemption under Article 17 or is liable to comply with a decision taken by the Financial Supervisory Authority by

virtue of Articles 18(1), 19(2), 20(2), 21 or 23(1) or with a decision taken by the European Securities and Markets Authority by virtue of Article 28(1) of the Regulation; (12.4.2013/254)

21) a trade repository as referred to in Article 2(2) of Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories, hereinafter referred to as *European Market Infrastructures Regulation*, a financial counterparty as referred to in Article 2(8), a non-financial counterparty as referred to in Article 2(9), a pension scheme arrangement as referred to in Article 2(10), a clearing member as referred to in Article 2 (14), and a client as referred to in Article 2(15) of the Regulation; (8.5.2020/316)

21a) natural or legal persons as referred to in Article 82(2) of the Regulation (EU) 2021/23 of the European Parliament and of the Council on a framework for the recovery and resolution of central counterparties and amending Regulations (EU) No 1095/2010, (EU) No 648/2012, (EU) No 600/2014, (EU) No 806/2014 and (EU) 2015/2365 and Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132, hereinafter referred to as the *Recovery and Resolution of Central Counterparties Regulation*; (16.2.2023/192)

22) a party who is obliged to comply with the provisions of Articles 38–42 of the Commission Regulation (EU) No 1031/2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community, hereinafter referred to as *Auctioning Regulation*; (12.4.2013/254)

23) a payment service provider as referred to in section 7, an electronic money institution as referred to in section 7a, and an account information service provider as referred to in section 7b of the Payment Institutions Act; (14.12.2017/893)

24) a party who, under chapter 5, sections 1 and 2 of the Act on Alternative Investment Fund Managers, has enrolled in the register maintained by the Financial Supervisory Authority; (7.3.2014/170)

25) a party who has been granted an exemption as referred to in chapter 10, section 2, subsection 3 of the Act on Alternative Investment Fund Managers; (7.3.2014/170)

26) the Finnish issuer of LEI codes under the Global Legal Entity Identifier System; (6.3.2015/198)

27) a register keeper as referred to in section 4f of the State Pension Fund Act and section 165c of the Local Government Pensions Act; (29.6.2016/520)

28) a person who produces or disseminates investment recommendations or other information recommending or suggesting an investment strategy, as referred to in Article 20(1) of the Market Abuse Regulation; (25.8.2016/737)

- 29) a project owner, as referred to in section 3, paragraph 2 of the Crowdfunding Act, and a named third party, as referred to in section 3, paragraph 3 of the Crowdfunding Act, to handle crowdfunding services tasks; (1.4.2022/205)
- 29 a) a registered agent as referred to in the Act on Bondholder Agents (574/2017); (25.8.2017/575)
- 30) a Finnish credit intermediary or a Finnish branch of a foreign credit intermediary as referred to in the Act on Intermediaries of Consumer Credit Relating to Residential Property (852/2016); (21.4.2017/228)
- 31) an entity other than a supervised entity as referred to in section 4 that is obliged to observe Regulation (EU) No 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products (PRIIPs), hereinafter referred to as *regulation on key information documents for packaged investment products*; (28.12.2017/1071)
- 32) a benchmark administrator registered by the Financial Supervisory Authority by virtue of Article 34 of the Benchmark Regulation; (29.6.2021/599)
- 33) a person other than a supervised entity as referred to in section 4 or a registered benchmark administrator as referred to in paragraph 32 above obliged to observe the Benchmark Regulation; (29.6.2021/599)
- 34) a securitisation special purpose entity as referred to in Article 2(2) of the Securitisation Regulation, an originator as referred to in Article 2(3), a sponsor as referred to in Article 2(5) and an original lender as referred to in Article 2(20); (22.2.2019/215)
- 35) a person other than a supervised entity as referred to in section 4 who is obliged to comply with Regulation (EU) 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, hereinafter referred to as *Regulation on Reporting and Transparency of Securities Financing Transactions*; (15.3.2019/296)
- 36) a third country firm providing services without establishing a branch, as referred to in chapter 5, section 7 of the Investment Services Act; (12.4.2019/517)
- 37) a proxy adviser as referred to in chapter 10a, section 1 of the Securities Markets Act; (26.4.2019/574)
- 38) a virtual currency provider as referred to in the Act on Virtual Currency Providers (572/2019); (18.6.2021/524)

39) a mixed activity holding company as referred to in chapter 1, section 13 of the Investment Services Act; (16.2.2023/184)

40) a party, who shall register under Section 4 of the Act on the Registering of Certain Credit Providers and Credit Intermediaries (186/2023) in the Credit Provider and Peer-2-Peer Lending Intermediary register maintained by the Financial Supervisory Authority. (16.2.2023/184)

## **Section 6 (14.12.2012/752)**

### **Other definitions**

For the purposes of this Act, the following definitions shall apply:

- 1) *EEA member state* means a state belonging to the European Economic Area (EEA);
- 2) *third country* means a state other than an EEA member state;
- 3) *home member state* means an EEA member state that has granted authorisation to a foreign EEA supervised entity; home member state also means an EEA member state that has granted authorisation to a company that provides or intends to provide financial and insurance services in Finland without establishing a branch; (12.4.2013/254)
- 4) *host member state* means an EEA member state in which a credit institution, investment firm, fund management company, alternative investment fund manager or insurance company has established a branch; the provisions of this Act on host member states shall also apply, as appropriate, to an EEA member state in which a credit institution, investment firm, fund management company, alternative investment fund manager, or insurance company provides or intends to provide services without establishing a branch; (7.3.2014/170)
- 5) *foreign EEA supervisory authority* means a home or host (member state) supervisory authority equivalent to the Financial Supervisory Authority of a state other than Finland;
- 6) *third country supervisory authority* means a supervisory authority of a third country equivalent to the Financial Supervisory Authority;
- 7) *foreign supervised entity* means an undertaking equivalent to a credit institution, as referred to in the Credit Institutions Act, an investment firm as referred to in the Investment Services Act, a fund management company as referred to in the Act on Common Funds, an alternative investment fund manager as referred to in the Act on Alternative Investment Fund Managers, an insurance company as referred to in the Insurance Companies Act, a payment institution as referred to in the Payment Institutions Act or a central counterparty as referred to in the Act on the Book-Entry

System and Settlement Activities that has a branch in Finland or provides or intends to provide services in Finland without establishing a branch; (7.3.2014/170)

8) *foreign EEA supervised entity* means a foreign supervised entity subject to the legislation of another EEA member state;

9) *third country supervised entity* means a foreign supervised entity subject to the legislation of a third country;

*Paragraph 10 was repealed by the Act of 12.4.2013/254.*

11) *group-wide supervision* means consolidated supervision of credit institutions or investment firms, group-wide supervision of insurance undertakings and supervision of financial and insurance conglomerates; (18.6.2021/524)

12) *conglomerate* means a consolidation group as referred to in chapter 1, section 16 of the Credit Institutions Act, an investment firm consolidation group as referred to in chapter 1, section 21a of the Investment Services Act, an insurance conglomerate as referred to in chapter 26, section 2, subsection 2 of the Insurance Companies Act and a financial and insurance conglomerate as referred to in section 3 of the Act on the Supervision of Financial and Insurance Conglomerates; (18.6.2021/524)

13) *foreign EEA conglomerate* means a foreign group of undertakings equivalent to a conglomerate, as referred to in paragraph 12, the group-wide supervision of which is the responsibility of a foreign EEA supervisory authority and which includes at least one Finnish undertaking;

14) *branch* means the branch of a credit institution, investment firm, fund management company, alternative investment fund manager, payment institution or insurance company, or the Finnish branch of a foreign credit institution, as referred to in the Credit Institutions Act, the Finnish branch of a foreign insurance company, as referred to in the Act on Foreign Insurance Companies, the Finnish branch of a foreign investment firm and the branch of a third country firm, as referred to in the Investment Services Act, the Finnish branch of a foreign EEA fund management company, as referred to in the Act on Common Funds, and the Finnish branch of a foreign payment institution as referred to in the Act on the Operation of Foreign Payment Institutions in Finland (298/2010); (15.3.2019/296)

15) *foreign branch* means the Finnish branch of a foreign supervised entity;

16) *foreign EEA branch* means the Finnish branch of a foreign EEA supervised entity;

17) *rules* mean a supervised entity's Articles of Association and by-laws, the rules of a credit institution, payment institution, savings bank, mortgage association, pension fund, supplementary pension fund, EEA supplementary pension fund, employee benefit fund, unemployment fund,

deposit guarantee fund, investor compensation fund, stock exchange, central securities depository or common fund organised in the form of a cooperative, or the rules of an alternative investment fund manager as referred to in the Act on Alternative Investment Fund Managers, or such other rules that the Financial Supervisory Authority or another authority may confirm for financial market participants by virtue of the provisions governing financial markets, or that financial market participants are otherwise required to comply with in their operations by virtue of the provisions governing financial markets; (19.11.2021/954)

18) *regulated market and MTF* mean a regulated market as referred to in chapter 1, section 2, subsection 1, paragraph 5 of the Act on Trading in Financial Instruments and an MTF as referred to in chapter 1, section 2, subsection 1, paragraph 8; (28.12.2017/1071)

19) *financial instrument* means a financial instrument as referred to in chapter 1, section 14 of the Investment Services Act; (18.6.2021/524)

20) *significant link* means a situation as referred to in chapter 1, section 26, subsection 1, paragraph 15 of the Investment Services Act, chapter 5, section 12 of the Credit Institutions Act or chapter 1, section 10 of the Insurance Companies Act where there is a link between two or more natural or legal persons that fulfils more closely stipulated conditions; (1.4.2022/214)

21) *PEPP Regulation* means the Regulation (EU) 2019/1238 of the European Parliament and of the Council on a pan-European Personal Pension Product (PEPP). (1.4.2022/214)

## **Chapter 2**

### **Administration**

#### **Section 7**

##### **Institutions**

A board shall be appointed to manage the activities of the Financial Supervisory Authority.

The Parliamentary Supervisory Council referred to in section 10 of the Act on the Bank of Finland shall have administrative and supervisory responsibilities regarding the Financial Supervisory Authority as provided in this Act.

#### **Section 8**

## **Parliamentary Supervisory Council**

The responsibilities of the Parliamentary Supervisory Council shall be:

- 1) to supervise the overall expediency and efficiency of the activities of the Financial Supervisory Authority;
- 2) to appoint the members and deputy members of the board and designate one of the members as Chairman and one as Vice Chairman;
- 3) to decide on the suspension from duty of a board member or deputy board member for a specified period;
- 4) to appoint and dismiss, upon proposal by the board, the Director General and designate a deputy to the Director General;
- 5) to decide the principles for determining the Director General's salary, leave of absence and annual leave and any other matters pertaining to the Director General's terms of employment;
- 6) to decide on the issuance of a warning to the Director General and the suspension of the Director General from office for a specified period;
- 7) to confirm the rules of procedure of the Financial Supervisory Authority upon proposal by the board;
- 8) to supervise compliance by board members with their disclosure obligations provided in section 16;
- 9) to decide the compensation payable to board members.

## **Section 9**

### **Board**

The board of the Financial Supervisory Authority shall be composed of no more than six members.  
(29.12.2016/1442)

One of the members shall be appointed on the basis of a proposal by the Ministry of Finance, one on the basis of a proposal by the Ministry of Social Affairs and Health and one on the basis of a proposal by the Bank of Finland. A deputy member shall be designated in the same order of procedure for each member appointed on the basis of a proposal by the Ministry of Finance, the Ministry of Social Affairs and Health and the Bank of Finland. In addition, at least two further

members shall be appointed to the board. Board members and deputy board members must be conversant with the activities of the financial markets. (29.12.2016/1442)

Board members and deputy board members may not belong to, or be in the employ of, the board of directors, board of management, body of representatives, board of trustees or auditors of a supervised entity, a foreign supervised entity or a pension institution as referred to in section 4, subsection 6. Disqualification of a board member or a deputy board member shall be subject to the provisions laid down in the Administrative Procedure Act (434/2003).

The term of office of the board shall be three years.

The board shall be quorate if three members or deputy members are present, one of whom must be the Chairman or Vice Chairman. Matters shall be decided by simple majority vote. In the case of a tie, the Chairman shall hold the casting vote or, when deciding matters referred to in section 10, subsection 1, paragraph 5, the more moderate view shall win.

If a board member or a deputy board member is prosecuted or under investigation for an offence, he or she may be suspended from duty, forfeiting all compensation, for the duration of the prosecution or investigation.

## **Section 10**

### **Responsibilities of the board**

The board shall have the following responsibilities in the field of financial market supervision:

- 1) to set specific objectives for managing the tasks referred to in sections 3 and 3a and the operations of the Financial Supervisory Authority, and decide the overall strategy of the Financial Supervisory Authority and direct and supervise compliance with the strategy and achievement of the objectives; (29.12.2016/1442)
- 2) to approve regulations issued by virtue of law and those guidelines that it has not transferred to the Director General for approval;
- 3) to decide on the principles to be observed by the Financial Supervisory Authority in international cooperation;

4) to attend to the development of cooperation between the authorities involved in the supervision of financial markets;

4a) to attend to the development of cooperation between authorities, as referred to in section 3c; (14.12.2012/752)

5) to order payment of a conditional fine imposed by the Financial Supervisory Authority and decide on administrative sanctions provided in chapter 4, administrative sanctions provided in the Act on Preventing Money Laundering and Terrorist-Financing (444/2017) and on penalty payments imposed by the Financial Supervisory Authority as referred to in the Act on Certain Powers of the Consumer Protection Authorities (566/2020); (9.7.2020/569)

6) to take a decision to set, adjust or keep unchanged a countercyclical capital buffer requirement as referred to in chapter 10, sections 4, 4a, 7 and 8 of the Credit Institutions Act, a decision to approve the countercyclical capital buffer requirement as referred to in section 4d, a decision on the procedure referred to in section 4e, a decision on the procedure referred to in section 6, a decision on the loan-to-value ratio as referred to in chapter 15, section 11, subsection 3 or section 14, subsection 3 of the Act on the Registering of Certain Credit Providers and Credit Intermediaries, or a decision to set the capital requirements for exposures secured by mortgages on immovable property as referred to in Articles 124 and 164 of Regulation (EU) No 575/2013 of the European Parliament and of the Council amending Regulation (EU) No 648/2012, hereinafter referred to as *EU Capital Requirements Regulation*, higher than the minimum amount according to the Regulation, or to adjust such a decision, or to apply Article 458 of the said Regulation. (16.2.2023/184)

The board shall have the following responsibilities regarding the administration of the Financial Supervisory Authority:

1) to decide the supervision fees and processing fees to be levied by the Financial Supervisory Authority and review the plan referred to in section 70;

2) to approve the supervision agreements referred to in section 67 and the compensation charged from, or payable to, a foreign EEA supervisory authority for supervisory measures required under such agreements in so far as the Financial Supervisory Authority, under such agreements, undertakes to take over or surrender tasks other than those based on cooperation commitments required under European Union legislation;

3) to consider the annual budget of the Financial Supervisory Authority and submit it to the board of the Bank of Finland for confirmation;

- 4) to present the rules of procedure of the Financial Supervisory Authority to the Parliamentary Supervisory Council for confirmation;
- 5) to approve the principles for competitive bidding in respect of services needed by the Financial Supervisory Authority;
- 6) to make a proposal to the Parliamentary Supervisory Council for appointment and dismissal of the Director General, designation of a deputy to the Director General and suspension of the Director General from office;
- 7) to appoint and dismiss the senior employees of the Financial Supervisory Authority, with the exception of the Director General;
- 8) to decide on suspension from duty or issuance of a warning to employees it has appointed;
- 9) to resolve such matters concerning the internal administration of the Financial Supervisory Authority as are laid down in the rules of procedure;
- 10) to supply the Parliamentary Supervisory Council with an annual report on the activities of the Financial Supervisory Authority;
- 11) to supply whenever necessary, but at least once a year, the Parliamentary Supervisory Council with a report on the operational objectives of the Financial Supervisory Authority and their achievement, including an assessment of expected changes in supervision, their impact on the accumulation of supervision fees and measures required for such changes;
- 12) to annually consult representatives of financial market participants and representatives of consumers and other users of financial services on the supervisory objectives and their achievement, and on the budget referred to in paragraph 3 and the assessment referred to in paragraph 11; (29.12.2016/1442)
- 13) to appoint to the Supervisory Board referred to in the SSM Regulation a Financial Supervisory Authority representative, and an alternate for when the representative is unavailable. (29.12.2016/1442)

In addition to the provisions of subsections 1 and 2, the board shall also decide on those far-reaching and significant matters of principle that the Director General submits to it for consideration. The provisions of section 13 shall apply to the right of the board to consider matters falling under the competence of the Director General.

The decision-making powers vested in the board under subsection 1, paragraph 2 may in the rules of procedure be transferred to the Director General if the matter is of minor importance.

The reports referred to in paragraphs 10 and 11 of subsection 2 above shall also address the functions of the Financial Supervisory Authority as part of the European System of Financial Supervision and the Single Supervisory Mechanism referred to in the SSM Regulation.

(29.12.2016/1442)

## **Section 11**

### **Director General**

The Financial Supervisory Authority shall be led by a Director General. The term of office of the Director General shall be five years.

Eligibility for the position of Director General requires a higher academic degree appropriate for the position, conversance with financial markets and proven management skills.

The Director General being prevented from attending to his or her responsibilities, these shall devolve on an employee of the Financial Supervisory Authority appointed by the Parliamentary Supervisory Council.

If the Director General is prosecuted or under investigation for an offence, he or she may be suspended from office, forfeiting all compensation, for the duration of such prosecution or investigation.

The EU Financial Supervision Regulations include provisions on the independence of the director general in his or her performance of the duties of a member of the board of supervisors or of the management board of a European Supervisory Authority. (4.3.2011/194)

## **Section 12**

### **Responsibilities of the Director General**

The responsibilities of the Director General shall be:

- 1) to manage the activities of the Financial Supervisory Authority and take decisions of the Authority other than those falling under the competence of the board;
- 2) to assume responsibility for the efficient and expedient performance of the tasks of the Financial Supervisory Authority in accordance with guidelines laid down by the board;
- 3) to assume responsibility for the appropriate preparation of matters to be discussed by the board;
- 4) to keep the board informed of matters and initiatives of which he or she has become aware through the work of the Financial Supervisory Authority, the European Supervisory Authorities and the European Systemic Risk Board and which influence the development of financial markets and financial legislation, and to assume responsibility for other reports to the board; (4.3.2011/194)
- 5) to appoint and dismiss Financial Supervisory Authority employees other than senior employees;
- 6) to decide on suspension from office or issuance of a warning to employees he or she has appointed.

Further provisions on the responsibilities of the Director General may be given in the rules of procedure. The Director General's powers of decision provided in this section may also be vested in another official of the Financial Supervisory Authority if specified in the rules of procedure. (29.12.2016/1442)

### **Section 13**

#### **Consideration by the board of decisions falling under the competence of the Director General**

Decisions that the Director General intends to make shall be submitted to the board for information before final decision if they concern:

- 1) granting of authorisation to a supervised entity, withdrawal of authorisation, restriction of authorised business, closing down or restriction of the business of a foreign EEA branch or, if decision-making competence lies with another authority, a proposal to grant or withdraw authorisation or restrict business; (29.12.2016/1442)
- 2) confirmation of the Articles of Association and by-laws of supervised entities, where the matter is far-reaching or concerns an important issue of principle;

- 3) imposition of an obligation on a supervised entity to take measures for the revocation or correction of an implemented decision, performed measure or procedure;
- 4) restriction of the distribution of funds by a supervised entity;
- 5) imposition of additional capital requirements on a supervised entity;
- 6) restriction of the activities of a supervised entity's management for a specified period; or (16.6.2017/352)
- 7) publication of significant opinions on overall financial market developments.

If requested by a board member, the board may take up for consideration a matter referred to in subsection 1. The board may take up such a matter for decision if it may have significant effects on the stability of financial markets or other financial market developments or cause significant disruptions to the functioning of the financial system. The provisions of subsection 1 or the present subsection notwithstanding, the Director General may decide the matter where a decision needs to be taken as a matter of urgency. Such a decision taken by the Director General shall be submitted ex post to the board for information. (7.3.2014/170)

*Subsection 3 was repealed by Act 29.12.2016/1442.*

## **Section 14**

### **Provisions applicable to employees**

The provisions of the Act on Officials of the Bank of Finland shall apply, as appropriate, to the employees, positions and service relationships of the Financial Supervisory Authority.

## **Section 15**

### **Independence**

An employee of the Financial Supervisory Authority, while in the performance of his or her responsibilities, shall not have a vested interest in a supervised entity, foreign supervised entity or other financial market participant, nor shall he or she belong to the supervisory board, board of directors, board of management, body of representatives, board of trustees or auditors of a supervised entity, foreign supervised entity or other financial market participant, nor be employed

by such a supervised entity, foreign supervised entity or other financial market participant. The provisions of this section on supervised entities shall also apply to pension institutions as referred to in section 4, subsection 6.

The provisions of the Administrative Procedure Act (434/2003) shall apply to the disqualification of persons as referred to in subsection 1 above.

The Regulation on the European Systemic Risk Board includes provisions on the independence of employees of the Financial Supervisory Authority in their performance of duties as members of the general board of the European Systemic Risk Board, or any other duties related to the Board.  
(4.3.2011/194)

## **Section 16**

### **Obligation of disclosure**

Board members and deputy board members, the Director General and employees appointed by decision of the board must prior to their appointment disclose information on the following matters:

- 1) their business activities;
- 2) their corporate holdings and other significant financial assets;
- 3) their liabilities, guarantees and other contingent liabilities;
- 4) their secondary occupations as referred to in section 14 of the Act on Officials of the Bank of Finland;
- 5) other commitments that may be of significance in assessing their fitness to perform their official duties.

The provisions of subsection 1 shall also apply to such persons appointed to an office who, in the course of attending to their official duties, gain access to confidential information on financial markets or the financial position or business secrets of private undertakings or individuals other than on a random basis. The Parliamentary Supervisory Council shall, upon proposal by the board, decide on the offices referred to here.

The disclosure obligation referred to in subsection 1 above shall also apply to a person appointed to an office to attend to official duties as referred to in subsection 1 or 2.

Employees shall, without undue delay, report any material changes in the information disclosed, correct any deficiencies and, where necessary, supplement such disclosures. They shall, where necessary, also provide information on the matters referred to in subsection 1 whenever requested to do so by the Financial Supervisory Authority. The Parliamentary Supervisory Council shall issue regulations on the method of disclosure.

Members and deputy members of the board and employees of the Financial Supervisory Authority shall disclose, for entry into a register kept by the board, any credit received from, or guarantee or other contingent liability granted in his or her favour by, a supervised entity or foreign supervised entity.

Board members, deputy board members and employees of the Financial Supervisory Authority shall report information on such shares and financial instruments whose values are based on the shares as are admitted to trading on a regulated market or MTF in Finland, to a register maintained by the board of the Financial Supervisory Authority, as provided for in section 16a. (14.12.2012/752)

Information disclosed on the matters referred to in subsection 1, paragraphs 1–3 shall be considered confidential. However, everyone shall be entitled to obtain information from the register referred to in subsection 6.

### **Section 16a (14.12.2012/752)**

#### **Declaration of insider holdings**

Board members, deputy board members and employees of the Financial Supervisory Authority shall submit a declaration of insider holdings within one month of taking up their position.

The declaration of insider holdings shall specify

- 1) legally incompetent persons for whom the person subject to the declaration requirement is the trustee or guardian;
- 2) entities or foundations in which the person subject to the declaration requirement, or a legally incompetent person as referred to in paragraph 1, exercises direct or indirect control;
- 3) any holdings of shares, or financial instruments whose values are based on the shares, admitted to trading on a regulated market or MTF in Finland, that are owned by the person subject to the declaration requirement himself or herself, a legally incompetent person as referred to in paragraph 1 or an entity or foundation as referred to in paragraph 2.

The declaration of insider holdings must contain the necessary details of the person, entity or foundation and information on the shares and other financial instruments.

The details referred to in subsection 2, paragraphs 2 and 3 above need not be declared in so far as they concern housing companies, mutual real estate companies as referred to in chapter 28, section 2 of the Housing Companies Act (1599/2009), ideological or economic associations or non-profit organisations. However, if an entity carries on regular trading in financial instruments, information on such instruments must be reported.

The person subject to the declaration requirement must notify the Financial Supervisory Authority of the following changes within fourteen days of the change:

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

## **Section 17**

### **Rules of procedure**

More specific provisions on the handling of matters and decision-making within the Financial Supervisory Authority, the duties of its employees and other internal administration of the Authority shall be laid out in the rules of procedure.

## **Chapter 3**

## **Supervisory powers**

### **Right to obtain and inspect information**

#### **Section 18**

#### **Right to obtain information from supervised entities and other financial market participants**

Confidentiality provisions notwithstanding, a supervised entity or other financial market participant shall, without undue delay, provide the Financial Supervisory Authority with any such information and reports requested by it as are necessary for the exercise of its statutory duties. Anyone exercising control in, or being controlled by, a supervised entity or other financial market participant as referred to in chapter 1, section 5 of the Accounting Act (1136/1997) shall have a similar responsibility.

The Financial Supervisory Authority may issue regulations on the regular provision to the Financial Supervisory Authority of information on a supervised entity's financial position, ownership, internal control and risk management, members of administrative and supervisory bodies, employees and places of business, as well as information necessary for the performance of the tasks referred to in section 3, subsection 3, paragraphs 3–5, and on the manner of this provision. (29.12.2016/1442)

The provisions of the Act on the Supervision Fees of the Financial Supervisory Authority shall apply to the Financial Supervisory Authority's right to obtain information for the purpose of levying supervision fees.

The provisions of subsection 1 on supervised entities and other financial market participants shall also apply to undertakings which, acting as agent, or tied agent as referred to in chapter 7, section 6 of the Investment Services Act, for a supervised entity or other financial market participant, or otherwise under assignment of a supervised entity or other financial market participant performs tasks pertaining to the business, accounting, information system, risk management or internal control of the supervised entity or other financial market participant. (18.6.2021/524)

## **Section 19**

### **Right to obtain information from other persons**

Confidentiality obligations notwithstanding, the Financial Supervisory Authority shall be entitled to obtain from the following persons all such information in their possession as concerns a supervised entity or other financial market participant and is necessary for the exercise by the Authority of its statutory supervisory duties:

- 1) the auditor of a supervised entity or other financial market participant;
- 2) the auditor of an entity exercising control in a supervised entity or other financial market participant as referred to in chapter 1, section 5 of the Accounting Act;
- 3) the auditor of an entity controlled by a supervised entity or other financial market participant.

The provisions on auditors laid down in subsection 1 shall also apply to any other person who has a legal obligation to have, or has consented to having, an opinion or other document drawn up by him or her attached to a prospectus as referred to in chapter 3, section 1 of the Securities Markets Act. (19.12.2018/1229)

Confidentiality provisions notwithstanding, the Financial Supervisory Authority shall have the right to obtain, for carrying out a specific supervisory measure, any information that is necessary for the exercise of supervision from persons other than those referred to above in this section who, with justifiable cause, may be presumed to have information necessary for carrying out such supervisory measures.

The Financial Supervisory Authority shall also have the right to obtain from the auditor such information concerning the auditor as is necessary for carrying out the supervisory duty laid down for the Financial Supervisory Authority in the Auditing Act. (18.9.2015/1145)

## **Section 20**

### **Right to obtain information from the register of fines and the criminal record**

The Financial Supervisory Authority shall have the right to obtain, from the register of fines referred to in section 46 of the Act on the Enforcement of Punishment by Fine (672/2002), any

information necessary for the purpose of determining the statutory fitness and propriety of the owners, members of the board of directors, managing director or employee of a supervised entity or other financial market participant as referred to in section 5, paragraph 24 of this Act.

(22.2.2019/215)

The provisions of the Criminal Records Act (770/1993) shall apply to the right of the Financial Supervisory Authority to obtain information from the criminal record.

### **Section 20a (16.6.2017/352)**

#### **Right to obtain information from pre-trial investigation and prosecuting authorities**

Confidentiality provisions notwithstanding, the Financial Supervisory Authority shall have the right to obtain from the pre-trial investigation and prosecuting authorities such information about pre-trial investigations and judicial procedures concerning offences specified in chapter 8, sections 11 and 12 of the Act on the Book-Entry System and Settlement Activities as is necessary for the purpose of fulfilling the obligations to cooperate laid down in Article 61 of the EU Central Securities Depositories Regulation. (22.2.2019/215)

Confidentiality obligations notwithstanding, the Financial Supervisory Authority shall have the right to obtain information necessary for fulfilment of the cooperation obligations laid down in Article 79(1)(2) of the Markets in Financial Instruments Directive, from pre-trial investigation and prosecution authorities on pre-trial investigation and legal proceedings of criminal acts provided in chapter 15, section 2 of the Investment Services Act and chapter 12, section 2 of the Act on Trading in Financial Instruments. (28.12.2017/1071)

Confidentiality obligations notwithstanding, the Financial Supervisory Authority shall have the right to obtain from pre-trial investigation and prosecuting authorities the information necessary for the fulfilment of the cooperation obligations laid down in Article 31 of the Regulation (EU) 2020/1503 of the European Parliament and of the Council on European crowdfunding service providers for business, amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937, hereinafter referred to as the *Crowdfunding Regulation*, on pre-trial investigation and legal proceedings of criminal acts provided in section 22 of the Crowdfunding Act. (1.4.2022/205)

**Section 20b (1.6.2018/402)****Right to obtain information from the authorities and anyone discharging a public duty**

Confidentiality obligations notwithstanding, the Financial Supervisory Authority shall have the right to obtain from the authorities and anyone discharging a public duty information on the compliance of supervised entities, other financial market participants and other persons supervised by the Financial Supervisory Authority by virtue of its mission under section 3 with their registration, notification and payment obligations relating to taxes, statutory pension, accident and unemployment insurance contributions and fees collected by Customs, and on their activities, finances and links.

If a supervised entity or other financial market participant or other person supervised by the Financial Supervisory Authority by virtue of its mission under section 3 is a legal person, the Financial Supervisory Authority shall have the right to obtain information on the managing director, deputy managing director, board members and deputy board members, supervisory board members and members of equivalent bodies, and their deputies, general partners, other members of the senior management, and on anyone with a direct or indirect holding of at least one tenth of the shares or voting rights of a limited liability company, or exercising equivalent ownership or control in the company, if the person in question is a corporation other than a limited liability company, as well as on the legal person itself. The Financial Supervisory Authority shall also have the right to obtain information on entities to be registered in the business information system as referred to in section 3 of the Business Information Act (244/2001) that have direct or indirect links to the persons referred to above.

The Financial Supervisory Authority shall have the right to obtain the information referred to in subsections 1 and 2 if it is necessary for:

- 1) establishing the statutory fitness and propriety of the owners, board members, managing director or employees of a supervised entity, other financial market participant or other person supervised by the Financial Supervisory Authorities by virtue of its mission under section 3;
- 2) preventing market abuse;
- 3) exercising supervisory duty as referred to in chapter 7, section 1 of the Act on Preventing Money Laundering and Terrorist Financing; (23.3.2023/445)

- 4) establishing the reliability of information relating to the establishment or ownership of supervised entities, other financial market participants or other persons supervised by the Financial Supervisory Authority by virtue of its mission under section 3;
- 5) securing the right to information referred to in section 21;
- 6) monitoring compliance with the disclosure obligation under the Securities Markets Act;
- 7) ensuring financial stability, customer and investor protection and insured interests.

The Financial Supervisory Authority shall have the right to obtain the information referred to in subsection 1 free of charge. (9.8.2019/918)

### **Section 21 (14.12.2012/752)**

#### **Special right to information related to market abuse and supervision of the Benchmark Regulation (29.6.2021/599)**

Confidentiality provisions notwithstanding, the Financial Supervisory Authority shall have the right to obtain from a supervised entity or other financial market participant and from a member of their board of directors, their managing director or an employee any information that is necessary for monitoring compliance with the provisions of the Securities Markets Act and the Act on Trading in Financial Instruments, or regulations issued thereunder, concerning market abuse, disclosure of information affecting the value of securities admitted to trading on a regulated market or MTF, or trading on a regulated market or MTF, where such information is related to:

- 1) securities admitted to trading on a regulated market or MTF;
- 2) securities for which admission to trading on a regulated market or MTF has been sought;
- 3) securities whose value is based on securities admitted to trading on a regulated market or MTF;
- 4) issuers of securities as referred to in paragraphs 1–3;
- 5) transactions involving, or orders relating to, securities as referred to in paragraphs 1–3.

(29.6.2016/520)

The Financial Supervisory Authority shall also have the right, referred to in subsection 1, to obtain any information that concerns a specific transaction and is necessary for supervision as referred to in subsection 1 from anyone:

- 1) who acts for, or on behalf of, a supervised entity or other financial market participant;

- 2) who is involved in a transaction or order relating to the securities referred to in subsection 1;
- 3) who may, with justifiable cause, be presumed to have such information as referred to in subsection 1.

The provisions of this section on securities shall also apply to other financial instruments.

Confidentiality obligations notwithstanding, the Financial Supervisory Authority shall have the right to obtain standardised information necessary for the supervision of the Market Abuse Regulation and the Benchmark Regulation from market participants operating in the commodity derivatives spot markets, and reports on transactions, and be allowed direct access to the traders' systems.  
(29.6.2021/599)

Confidentiality obligations notwithstanding, the Financial Supervisory Authority shall have the right to obtain information from all persons participating in the provision of benchmarks and submission of related data, including service providers to whom activities, services or functions in the provision of a benchmark have been outsourced as referred to in Article 10 of the Benchmark Regulation, and from their principals, and, where necessary, summon such person to a hearing.  
(29.6.2021/599)

## **Section 22 (14.12.2012/752)**

### **Summons to a hearing**

The Financial Supervisory Authority shall have the right, where necessary, to summon to a hearing a representative of, or a person employed by, a legal person as referred to in sections 18, 19 and 21 of the Act, or a natural person as referred to in the said sections. The provisions of the Administrative Procedure Act on oral procedure shall apply to such a hearing. Failure to comply with such summons shall not constitute grounds for the imposition of a conditional fine as referred to in section 33a or an administrative sanction as referred to in chapter 4.

## **Section 23**

### **Right to obtain information on an undertaking other than a supervised entity**

The above provisions of this chapter on supervised entities shall also apply to such other Finnish undertakings as belong to the same conglomerate as a supervised entity in respect of which responsibility for group supervision lies with the Financial Supervisory Authority or which is an affiliate of the supervised entity or, if the supervised entity is a pension fund, supplementary pension fund or EEA supplementary pension fund, the employer having established the pension fund, supplementary pension fund or EEA supplementary pension fund. Confidentiality provisions notwithstanding, the Financial Supervisory Authority shall also have the right to obtain, from a supervised entity, equivalent information on a foreign undertaking belonging to the same conglomerate as the supervised entity and on a foreign affiliate of the supervised entity, to the extent necessary for the exercise by the Financial Supervisory Authority of its statutory supervisory duties. (19.11.2021/954)

The provisions of section 60 shall apply to the right to obtain information concerning a foreign EEA branch, the provisions of section 63 to the right to obtain information concerning a Finnish undertaking belonging to a foreign conglomerate and the provisions of section 64 to the right to obtain information concerning a foreign undertaking belonging to a conglomerate in respect of which group supervision is undertaken by the Financial Supervisory Authority.

## **Section 24**

### **Right of inspection**

Confidentiality provisions notwithstanding, the Financial Supervisory Authority shall be entitled to obtain for inspection, at the place of business of a supervised entity or other financial market participant, any documents, recordings of telephone conversations and records of electronic communications, other telecommunications data and information systems concerning the business and administration of such supervised entity or other financial market participant, to the extent necessary for the exercise by the Financial Supervisory Authority of its statutory supervisory duties. The Financial Supervisory Authority shall be entitled to obtain any requisite copies of documents and other records and telecommunications data as referred to in this section from a supervised entity or other financial market participant, free of charge. (18.3.2016/176)

The provisions of subsection 1 on supervised entities and other financial market participants shall also apply to undertakings which, acting as agent, or tied agent as referred to in chapter 7, section

6 of the Investment Services Act, for a supervised entity or other financial market participant, or otherwise under assignment of a supervised entity or other financial market participant performs tasks pertaining to the business, accounting, information system, risk management or internal control of the supervised entity or other financial market participant. (28.12.2017/1071)

Confidentiality provisions notwithstanding, the Financial Supervisory Authority shall also have the right to obtain for inspection, from persons and undertakings as referred to in sections 19, 21 and 23, any documents and records containing information as referred to in the said sections.

The provisions of section 60 shall apply to the right to inspection concerning a foreign EEA branch, the provisions of section 63 to the right to inspection concerning a Finnish undertaking belonging to a foreign EEA conglomerate and the provisions of section 64 to the right to inspection concerning a foreign undertaking belonging to a conglomerate in respect of which group supervision is undertaken by the Financial Supervisory Authority.

In the circumstances foreseen in the European Union financial market statutes, the European Supervisory Authorities shall have the right to participate in inspections in keeping with the provisions of the Regulations on European financial supervision. (29.6.2021/599)

## **Section 25**

### **Derogation from the right to obtain and inspect information concerning attorneys, legal counsels and advocates**

By way of derogation from the above provisions of this chapter, the Financial Supervisory Authority shall not be entitled to obtain information, documents or records concerning a client of an advocate from an advocate as referred to in the Advocates Act (496/1958), or from his or her assistant, nor to inspect them, nor to obtain from any other person such information, documents or records to which access was gained in connection with the performance of the duties of legal counsel or attorney, nor to inspect them. In addition to actual duties in legal proceedings, juridical advice on a clients legal status in the pre-trial investigation of a crime or in any other pre-trial hearing, or on the initiation or avoidance of a trial, shall also fall within the meaning of the duties of legal counsel or attorney.

The provisions of subsection 1 notwithstanding, the Financial Supervisory Authority shall be entitled to obtain information, documents and records as referred to in section 21 concerning a client of an advocate from the advocate or from his or her assistant, and to inspect them, pursuant to section 24, subsection 3.

### **Section 25a (29.6.2016/520)**

#### **Punishment for providing false documents**

Provisions on the punishment for providing false documents to a public authority are laid down in chapter 16, section 8 of the Criminal Code of Finland (39/1889).

### **Section 25b (18.6.2021/524)**

#### **Executive assistance**

The Financial Supervisory Authority shall have the right to receive executive assistance from the police for the performance of its duties.

### **Powers concerning an authorised supervised entity and comparable supervised entity**

### **Section 26 (7.3.2014/170)**

#### **Withdrawal of authorisation and registration and comparable ordering of the termination of business activity (18.6.2021/524)**

The Financial Supervisory Authority may withdraw a supervised entity's authorisation, or, if authorisation was granted by the ECB or another competent authority, propose withdrawal of authorisation to such other authority, where the achievement of the objectives for financial supervision laid down in section 1 cannot be adequately secured by restricting the business activity of the supervised entity in accordance with section 27 or through other measures provided for in this Act or elsewhere in law, and where:

- 1) the essential statutory conditions under which authorisation was granted or business was taken up no longer exist;

2) the supervised entity has failed to take, within the prescribed period, the measures defined in a recovery plan as referred to in chapter 8a of the Credit Institutions Act, in a reorganisation plan for a conglomerate's capital position as referred to in section 25 of the Act on the Supervision of Financial and Insurance Conglomerates, or in a reorganisation plan or short-term financing plan as referred to in chapter 25, section 5 or 6 or chapter 26, section 11 of the Insurance Companies Act, section 20 of the Act on Employee Pension Insurance Companies, section 46 of the Act on Foreign Insurance Companies or in chapter 12, section 6b of the Local Mutual Insurance Associations Act, or if implementation of such a plan has been neglected; or (26.3.2021/235)

3) the supervised entity has seriously neglected to comply with a prohibition or decision on redress laid down in section 33 or ordered by the Financial Supervisory Authority by virtue of another act. (29.12.2016/1442)

The Financial Supervisory Authority shall also have the right to withdraw authorisation granted to a supervised entity or propose such withdrawal where:

1) the operations of a supervised entity constitute a material breach of the provisions governing financial markets

or the provisions or regulations issued thereunder by the authorities, the terms of authorisation or the rules applicable to the operations of the supervised entity;

2) a supervised entity has closed down its business for a period of more than six months or has been placed in liquidation;

3) no business has been taken up by a supervised entity within 12 months of the granting of authorisation; or

4) upon application for authorisation, essentially wrong or imperfect information was submitted on matters of significance for regulation and supervision.

Prior to making a decision or proposal for a decision as referred to in subsection 1 and subsection 2, paragraph 1, the Financial Supervisory Authority shall reserve a reasonably long period of time for the supervised entity to remedy such deficiencies, unless immediate withdrawal of authorisation is necessary for safeguarding the achievement of the objectives for financial supervision laid down in section 1. (8.8.2014/611)

The Financial Supervisory Authority shall, upon application from the Finnish branch of a third country credit institution, a payment institution, a mortgage association, an insurance company,

the Finnish branch of a third country insurance company, an investment firm, the Finnish branch of a third country investment firm, a fund management company and depositary as referred to in the Act on Common Funds, an alternative investment fund manager, the Finnish branch of an EEA alternative investment fund manager or a depositary or special depositary as referred to in the Act on Alternative Investment Fund Managers, withdraw an authorisation it has granted to such supervised entity if the entity no longer carries out business subject to authorisation and has therefore applied for withdrawal of authorisation. The withdrawal of an authorisation granted to a credit institution organised as a limited company, upon such credit institution's application, is governed by the Act on Commercial Banks and Other Credit Institutions in the Form of a Limited Company (1501/2001), the withdrawal of an authorisation granted to a savings bank, upon such savings bank's application, is governed by the Savings Bank Act (1502/2001), and the withdrawal of an authorisation granted to a credit institution organised as a cooperative, upon such credit institution's application, is governed by the Act on Cooperative Banks and Other Credit Institutions in the Form of a Cooperative (423/2013).

The Financial Supervisory Authority shall withdraw an authorisation it has granted to a supervised entity, or propose the withdrawal of authorisation, where the supervised entity is declared bankrupt, placed in liquidation on the basis of a legally binding decision by a registry authority or court of law, or liquidators have submitted their final report on the liquidation. The authorisation shall also be withdrawn if an insurance company has made a decision about liquidation or the Financial Supervisory Authority has issued an order concerning the start of the insurance company's liquidation. (20.3.2015/311)

Upon withdrawal of the authorisation of a supervised entity also operating in another EEA member state, the Financial Supervisory Authority shall notify the host supervisory authorities of its decision.

Section 61 of this Act includes provisions on the restriction of the business activity of foreign EEA branches, and the Credit Institutions Act includes provisions on withdrawal of the authorisation of the representative office of a third country credit institution.

The provisions of this section on withdrawal of authorisation shall also apply to the ordering of the termination of the business activity of an insurance association, the withdrawal of the registration

of a representative as referred to in the Act on Bondholder Representatives, the withdrawal of the authorisation of a third-country investment firm as referred to in chapter 5, section 5 of the Investment Services Act, the withdrawal of the registration of an alternative investment fund manager liable to register as referred to in chapter 5, section 1 of the Act on Alternative Investment Fund Managers and the withdrawal of the registration of a credit provider or peer-2-peer lending intermediary as referred to in Section 3 of the Act on the Registering of Certain Credit Providers and Credit Intermediaries. The provisions of subsection 1, paragraphs 1 and 3, and subsection 2 and 3 on withdrawal of authorisation shall also apply to the revoking of licence to pursue mortgage credit bank operations as referred to in the Act on Mortgage Credit Banks and Covered Bonds (151/2022). The provisions of subsection 1, paragraph 3 and subsection 2, paragraph 1 on withdrawal of authorisation shall also apply to the ordering of the termination of the business activity of pension funds, supplementary pension funds, EEA supplementary pension funds and employee benefit funds. (16.2.2023/184)

The authorisation of a global systemically important credit institution cannot be withdrawn, or its operations ordered to be terminated solely on the grounds that the credit institution fails to comply with the requirements under Articles 92a and 92b of the EU Capital Requirements Regulation. (26.3.2021/235)

The Financial Supervisory Authority shall propose to the ECB withdrawal of the authorisation of a credit institution engaging only in activities under Article 4(1)(1)(b) of the EU Capital Requirements Regulation, if the average of the credit institution's total assets is lower than the threshold stipulated in said section of law during five consecutive years. (18.6.2021/524)

Provisions on the conditions for withdrawing the authorisation of an authorised supervised entity as referred to above in section 4, subsection 2, paragraph 15 are laid down in Article 27e(1) and Article 27(f)(4) of the EU Markets in Financial Instruments Regulation. Paragraph 3 of this section shall apply to a decision taken by the Financial Supervisory Authority under the said provisions. (29.6.2021/599)

## **Section 27**

### **Restriction of authorised and registered business activity (25.8.2017/575)**

The Financial Supervisory Authority may restrict a supervised entity's authorised business activity for a specified period or, if authorisation was granted by the ECB or another competent authority, make a proposal for a decision in the matter where: (8.8.2014/611)

- 1) the requirements set for withdrawal of authorisation provided in section 26, subsection 1, paragraphs 1–3, are fulfilled; or
- 2) there is otherwise evidence of incompetence or carelessness in the management of the supervised entity and it is apparent that any continuation of the conduct of business would seriously jeopardise the achievement of the objectives for financial supervision laid down in section 1.

If no remedy has taken place within the specified period, the Financial Supervisory Authority may, upon expiry of such period, change the terms of authorisation for the purpose of permanently restricting the business activity, or propose such a change. (8.8.2014/611)

The business activity of a supervised entity's foreign branch may also be restricted or continuation of the conduct of business of such branch prohibited if the supervised entity has failed to comply with its obligations provided in the host member state.

The provisions of section 26, subsections 3 and 6 shall apply to decisions taken under this section.

The provisions of this section on restriction of business activity shall also apply to restriction of the rules-based business activity of an insurance association, withdrawal of the registration of a representative as referred to in the Act on Bondholder Representatives, restriction of the authorised business activity of a third-country investment firm as referred to in chapter 5, section 5 of the Investment Services Act, restriction of the registered business activity of an alternative investment fund manager liable to register as referred to in chapter 5, section 1 of the Act on Alternative Investment Fund Managers, and restriction of the registered business activity of a credit provider or a peer-2-peer lending intermediary liable to register as referred to in section 3 of the Act on the Registering of Certain Credit Providers and Credit Intermediaries. Provisions on the prohibition against insurance distribution are laid down in the Act on Insurance Distribution. This section shall not apply to the central institute of a conglomeration of deposit banks.

(16.2.2023/184)

Section 61 of this Act lays down provisions on the restriction of the business activity of a foreign EEA branch.

Separate provisions shall be issued on prohibiting the transfer and pledging of the assets of an insurance company, foreign insurance company, insurance association, pension fund, supplementary pension fund, EEA supplementary pension fund or employee benefit fund and on prohibiting payment of the repurchase value of the insurance to the insured. (19.11.2021/954)

The Financial Supervisory Authority may restrict the authorised business activity of an entity as referred to in section 4, subsection 2, paragraph 13 of this Act for a specified period in accordance with Article 32(2)(h) of the Securitisation Regulation if the supervised entity has violated or neglected its duty to notify the competent authority of any material changes in the information referred to in Article 28(1) of the Securitisation Regulation or of any other changes that could affect the assessment of the competent authority of the entity's fulfilment of the authorisation criteria. (14.12.2018/1108)

The Financial Supervisory Authority may restrict the authorised business activity of an authorised supervised entity as referred to in section 4, subsection 2, paragraph 15, if the conditions for withdrawal of authorisation under Article 27e of the Markets in Financial Instruments Regulation are fulfilled. (29.6.2021/599)

## **Section 28 (16.6.2017/352)**

### **Restriction of management activities**

The Financial Supervisory Authority may, for a specified period of up to five years, prohibit a person from acting as a member or deputy member of the board of directors of an authorised supervised entity, a member or deputy member of its supervisory board or its managing director or deputy managing director, or in duties that are directly subordinated to the managing director and are the most senior management duties of the authorised supervised entity or in which its operations are actually managed, where:

1) he or she has shown obvious incompetence or carelessness in the performance of duties (lack of fitness and propriety) and it is apparent that his or her participation may seriously jeopardise the achievement of the objectives for financial supervision laid down in section 1; or

2) he or she fails to fulfil the requirements for professional competence and trustworthiness separately provided for in law.

The provisions of subsection 1 shall apply equally to insurance associations, pension funds, supplementary pension funds, EEA supplementary pension funds, employee benefit funds and other financial market participants as referred to in section 5, paragraph 24 as well as to holding companies of credit institutions, investment firms, insurance companies, insurance associations, financial and insurance conglomerates, central securities depositories and the stock exchange.

(19.11.2021/976)

The Financial Supervisory Authority may, for a specified period of up to five years, prohibit a person from acting as member or deputy member of the board of directors or supervisory board or the managing director or deputy managing director of an insurance intermediary or ancillary insurance intermediary, as referred to in the Act on Insurance Distribution, including employees responsible for tasks that are directly subordinated to the managing director, which rank as the senior management tasks of the insurance intermediary or ancillary insurance intermediary or tasks of actual management of the intermediary, where the insurance intermediary or ancillary insurance intermediary has violated or failed to comply with the provisions on the conduct of business referred to in sections 44–57 and 78 of the Act on Insurance Distribution in the distribution of unit-linked policies referred to in the said Act. (20.4.2018/241)

The Financial Supervisory Authority may permanently prohibit someone from acting in the capacity referred to in subsection 1 in a fund management company as referred to in the Act on Common Funds or in a depository authorised under the Act if he or she has repeatedly and seriously violated or failed to comply with provisions referred to in chapter 27, section 2 of the Act on Common Funds. (22.2.2019/215)

The Financial Supervisory Authority may permanently prohibit someone from acting in the capacity referred to in subsection 1 in an authorised supervised entity providing investment services or engaging in investment operations if he or she has repeatedly violated the provisions of Article 14 or 15 of the Market Abuse Regulation, or has repeatedly and seriously violated the provisions referred to in chapter 15, section 2, subsection 6 or 7 of the Investment Services Act.

(15.3.2019/296)

The Financial Supervisory Authority may permanently prohibit someone from acting as member or deputy member of the board of directors, managing director or deputy managing director or any other senior management staff member of a central securities depository if he or she has repeatedly and seriously violated or failed to comply with the provisions referred to in Article 63(1) of the EU's Central Securities Depositories (CSD) Regulation.

The Financial Supervisory Authority may, for a specified period of up to five years, prohibit a person from acting as member or deputy member of the board of directors, managing director or deputy managing director or any other senior management staff member of an administrator or supervised contributor as referred to in the Benchmark Regulation, if he or she has violated or failed to comply with the provisions referred to in Article 42(1) of the said Regulation.

(29.6.2021/599)

The Financial Supervisory Authority may, for a specified period of up to five years, prohibit a person from acting as member or deputy member of the board of directors of an securitisation special purpose entity, originator or sponsor as referred to in section 5, paragraph 34, its managing director or deputy managing director, or other member of the senior management, where he or she has violated or failed to comply with the provisions referred to in Article 32(1) of the Securitisation Regulation. (14.12.2018/1108)

The Financial Supervisory Authority may, for a specified period of up to five years, prohibit a person from acting as member or deputy member of the board of directors, or the managing director, deputy managing director or other member of the senior management of a counterparty as referred to in the Regulation on Reporting and Transparency of Securities Financing Transactions if he or she has violated or failed to comply with the provisions referred to in Article 4 or 15 of the said Regulation. (22.2.2019/215)

The Financial Supervisory Authority may permanently prohibit a person from acting as a member or deputy member of the board of directors or a member of equivalent bodies, managing director or deputy managing director or any other senior management staff member of a provider of crowdfunding services if he or she has violated the provisions referred to in section 20, subsection 1, paragraphs 1-24 of the Crowdfunding Act. (1.4.2022/205)

The Financial Supervisory Authority may, for a specified period of up to five years, prohibit the senior management staff or any other liable natural persons as referred to in Article 2(37) of the Recovery and Resolution of Central Counterparties Regulation, to exercise duties in the central counterparty in cases referred to in Article 82(1) of said Regulation. (16.2.2023/192)

### **Section 28a (12.8.2016/642)**

#### **Temporary prohibition on operating in governing body of public interest entity**

The Financial Supervisory Authority may, for a specified period of no more than three years, prohibit someone from operating as a governing body member or managing director in a public interest entity referred to in chapter 1, section 9 of the Accounting Act if the person, as a governing body member or managing director, seriously violates or fails to comply with the maximum duration of terms and auditor selection preparation under chapter 5, section 1, or provisions concerning services other than auditing services under sections 3 and 4, of the Auditing Act, or provisions on the appointment of statutory auditors or audit firms and the duration of audit engagements of Articles 16 and 17 of Regulation (EU) No 537/2014 of the European Parliament and of the Council on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC, hereinafter referred to as the *European Union Auditing Regulation*.

### **Section 28b (15.3.2019/296)**

#### **Temporary prohibition to act as a trading participant or a client**

The Financial Supervisory Authority may, for a specified period of up to five years, prohibit an authorised supervised entity or foreign branch providing investment services or engaging in investment operations from acting as a trading participant as referred to in chapter 1, section 2, subsection 1, paragraph 15 of the Act on Trading in Financial Instruments, or as the client of an organised trading facility as referred to in chapter 1, section 2, subsection 1, paragraph 11 of the Act on Trading in Financial Instruments if he or she has violated the provisions referred to in chapter 15, section 2, subsection 6 or 7 of the Investment Services Act.

## **Section 29**

### **Appointment of an attorney**

The Financial Supervisory Authority may appoint an attorney to supervise the activities of an authorised supervised entity if there is evidence of incompetence, carelessness or misuse in the management of its affairs or if there is some other specific reason for such an appointment. The Financial Supervisory Authority may also appoint an attorney to supervise the winding up of the assets of an authorised supervised entity where the supervised entity is subjected to winding-up proceedings or declared bankrupt.

The Financial Supervisory Authority shall determine the fee to be paid to the attorney out of the funds of the supervised entity. The fee shall correspond to the general level of fees in the field. The Financial Supervisory Authority shall be liable for payment of a fee that is not collectable from the supervised entity.

Attorneys shall, in the performance of their duties, have the rights referred to in sections 18, 19, 23, 24 and 32. Attorneys shall be subject to public liability under criminal law when performing administrative duties under public law imposed in accordance with this Act. Provisions on liability for damages are laid down in the Tort Liability Act (412/1974). (29.12.2016/1442)

Attorneys shall be adequately conversant with financial activity and legal issues in relation to the nature and scope of their tasks. The provisions of section 15 of this Act shall apply to the disqualification of an attorney.

The provisions of this section shall apply equally to insurance associations, pension funds supplementary pension fund, EEA pension funds, employee benefit funds and unemployment funds, branches operating as depositories as referred to in chapter 20, section 12, subsection 2 of the Act on Common Funds, branches operating as depositories as referred to in chapter 14, section 1 of the Act on Alternative Investment Fund Managers, any entity that has been entered into the register referred to in chapter 5, section 2 of the Act on Alternative Investment Fund Managers by virtue of chapter 5, section 1 of the Act, and a foreign entity operating as a custodian as referred to in section 2, subsection 1, paragraph 2 of the Act on Securities Accounts, and a party who shall register under section 4 of the Act on the Registering of Certain Credit Providers

and Credit Intermediaries in the Credit Provider and Peer-2-Peer Lending Intermediary register maintained by the Financial Supervisory Authority. (16.2.2023/184)

*Subsection 6 was repealed by Act 29.12.2016/1442.*

## **Section 30**

### **Restriction of distribution of funds**

If the Financial Supervisory Authority considers that an authorised supervised entity has not recognised its assets at fair value in its annual financial statements or that the accounts do not otherwise give a true and adequate view of the supervised entity's financial position, the Financial Supervisory Authority may restrict the supervised entity's disposition of distributable funds for purposes other than strengthening its capital position, and restrict distribution of other funds to owners of shares or units, where the distribution of funds could seriously jeopardise the achievement of the objectives for financial supervision laid down in section 1.

## **Section 31**

### **Auditors' duty to report**

Auditors of authorised supervised entities shall report, without undue delay, to the Financial Supervisory Authority any fact or decision concerning a supervised entity of which they have become aware while performing their duties and which can be considered as:

- 1) constituting a material breach of the legal provisions concerning the requirements set for the supervised entity's authorisation or conduct of business and the regulations issued thereunder;
- 2) jeopardising the continuation of the supervised entity's conduct of business; or
- 3) leading to the issuance in the auditor's report of an opinion other than the standard opinion referred to in the Auditing Act or a comment as referred to in chapter 3, section 5, subsection 5 of the Auditing Act. (28.12.2017/1071)

Auditors of authorised supervised entities shall likewise report to the Financial Supervisory Authority any fact or decision referred to in subsection 1 of which they become aware while performing their duties in an undertaking which belongs to the same conglomerate or group as the

supervised entity, or in an undertaking which has significant links to the supervised entity.  
(18.6.2021/524)

Auditors acting in good faith shall not be held liable for any financial loss that may result from measures taken in compliance with this section.

The provisions of this section shall also apply to insurance associations, pension funds, supplementary pension funds, EEA supplementary pension funds, employee benefit funds and unemployment funds and the Farmers' Pension Institution and the Seamen's Pension Fund, and a party who shall register under section 4 of the Act on the Registering of Certain Credit Providers and Credit Intermediaries in the Credit Provider and Peer-2-Peer Lending Intermediary register maintained by the Financial Supervisory Authority. (16.2.2023/184)

The Financial Supervisory Authority may demand that an authorised supervised entity change auditors if the auditor fails to comply with the reporting duty under this section. If an audit firm has been selected as the auditor of the authorised supervised entity, the requirement applies to the employee of the audit firm who has principal responsibility for auditing the supervised entity. The Financial Supervisory Authority shall submit the requirement to the audit committee of the authorised supervised entity, or in the absence of an audit committee, to the board of directors of the supervised entity. The submission of the requirement referred to in this subsection does not prevent the Financial Supervisory Authority or the audit supervision function of the Finnish Patent and Registry Office to take the measures provided for in the Audit Act. (26.3.2021/235)

## **Section 32**

### **Right to convene and attend**

A representative of the Financial Supervisory Authority shall have the right to attend the meetings of the decision-making and administrative bodies of authorised supervised entities and to convene such bodies when necessary. A representative of the Financial Supervisory Authority shall have the right to be heard at such meetings and to have entered into the minutes any remarks that he or she considers pertinent.

The provisions of subsection 1 shall also apply to insurance associations, pension funds, supplementary pension funds, EEA pension funds, employee benefit funds and unemployment funds. (19.11.2021/954)

The provisions of subsection 1 shall also apply to the meetings of the owners of fund units as referred to in the Act on Common Funds. (22.2.2019/215)

### **Section 32a (14.12.2012/752)**

#### **Prohibition against acquisition of holdings**

Upon receipt of a notification as referred to in chapter 3, section 1 of the Credit Institutions Act, chapter 6a, section 1 of the Investment Services Act, chapter 4, section 7 of the Act on Common Funds, chapter 7, section 9 or chapter 14, section 9 of the Act on Alternative Investment Fund Managers, section 11 of the Act on the Supervision of Financial and Insurance Conglomerates, section 21a or 21b of the Payment Institutions Act, chapter 2, section 11 of the Act on Trading in Financial Instruments, the EU Central Securities Depositories Regulation, or chapter 4, section 5 of the Insurance Companies Act, the Financial Supervisory Authority may prohibit the acquisition of a holding as referred to in the above sections of law in a credit institution, investment firm, fund management company, alternative investment fund manager, depository or special depository, an insurance company, including their holding companies, the holding company of a financial and insurance conglomerate, an electronic money institution, a payment institution, a stock exchange, the holding company of a stock exchange, a central securities depository or the holding company of a central securities depository, where such holding would jeopardise the operation of the target entity in accordance with sound and prudent business principles or, if the target entity is an insurance company, the insured interests, on the grounds that there is justifiable cause to suspect that: (19.11.2021/976)

- 1) the reputation of the entity subject to the notification requirement is compromised or its financial position is inadequate;
- 2) the fitness and propriety of the management of the target entity, or other authorisation criteria, would be jeopardised by the acquisition;
- 3) the capital adequacy or solvency or supervision of the target entity and related information sharing between the authorities would be jeopardised by the acquisition; or
- 4) the acquisition is related to money laundering or terrorist financing. (29.6.2021/599)

The Financial Supervisory Authority may prohibit an acquisition as referred to in subsection 1 also if it has not received the additional information referred to in the said subsection within the processing time laid down in section 32b, subsection 2, or the information or reports referred to in chapter 3, section 1, subsection 6 of the Credit Institutions Act, chapter 4, section 7, subsection 6 of the Act on Common Funds, chapter 7, section 9, subsection 5 of the Act on Alternative Investment Fund Managers, section 11, subsection 6 of the Act on the Supervision of Financial and Insurance Conglomerates, section 21a, subsection 6, or section 21c of the Payment Institutions Act, chapter 4, section 5, subsection 6 of the Insurance Companies Act or in the Implementing Regulation of the EU Markets in Financial Instruments Regulation. Similarly, the Financial Supervisory Authority may prohibit an acquisition as referred to in subsection 1 if it has not received the reports referred to in chapter 2, section 11, subsection 5 of the Act on Trading in Financial Instruments or the EU Central Securities Depositories Regulation within two months of receipt of a notification of acquisition of a holding. Furthermore, the Financial Supervisory Authority may prohibit an acquisition if it has not received the reports referred to in section 32b, subsection 1 of the present Act within 60 working days from having sent the entity subject to report information on missing reports. (29.6.2021/599)

When taking the decision referred to in this section, the Financial Supervisory Authority may also set a limit for completion of the relevant acquisition, under penalty that otherwise the Financial Supervisory Authority may take the measures referred to in section 32c, or in the case of the acquisition of a holding in a payment institution, in section 21d of the Payment Institutions Act. (14.12.2017/893)

In lieu of this section, section 7 of the Act on Employee Pension Companies shall apply to the issuance of prohibitions against acquisition of shares and guarantee shares in employee pension companies.

Where the ECB is the competent authority under the SSM Regulation to take a decision as referred to in this section, the Financial Supervisory Authority shall make a proposal for a decision to the ECB. (8.8.2014/611)

### **Section 32b (27.3.2009/207)**

**Procedure for assessing acquisitions of holdings (28.12.2017/1071)**

The Financial Supervisory Authority shall without delay and not later than the second weekday after receipt of the notification referred to in section 32a, subsection 1, or, if the notification is supplemented, after receipt of the supplemented notification, send written confirmation of receipt to the entity subject to the notification requirement. The confirmation shall state that the notification contains the information required or, in the event of missing information, specify what information is missing. It shall also specify the processing time referred to in subsection 2.

The Financial Supervisory Authority shall take the decision referred to in section 32a, or where the ECB is the competent authority, make a proposal for a decision, within 60 weekdays of confirmation of the receipt of all the necessary information as detailed in in subsection 1 (*processing time*). The Financial Supervisory Authority may send a written request for any specific necessary additional information during ongoing processing, but not later than on the 50th weekday after the start of processing. The request for additional information will interrupt the processing time until such time as the requested additional information has been received, but for no longer than 20 weekdays, or for no longer than 30 weekdays if the entity subject to the notification requirement is domiciled outside of the European Economic Area, or is a credit institution, investment firm, electronic money institution, insurance company or fund management company other than an institution or company authorised in the European Economic Area. A decision on extension of the processing time shall be communicated, without delay, to the entity subject to the notification requirement. (14.12.2017/893)

A decision against acquisition of a holding shall be communicated to the entity subject to the notification requirement no later than the second weekday after the decision was made, without exceeding the processing time. If the Financial Supervision Authority has not made a decision, or made a proposal for a decision, as referred to in section 32a within the processing time referred to in this section, it will be considered to have endorsed the acquisition. (28.12.2017/1071)

If the entity subject to the notification requirement is a foreign EEA supervised entity or the parent company of such an entity, or a natural or legal person exercising control as referred to in chapter 1, section 5 of the Accounting Act in a foreign EEA supervised entity or its parent company, the Financial Supervisory Authority shall, when making the decision or making a proposal for a

decision, without undue delay notify the EEA supervisory authority responsible for the supervision of the foreign EEA supervised entity all information that is relevant for the assessment and, upon request, all relevant information and, if the target company is the holding company of a financial and insurance conglomerate, cooperate with other key supervisory authorities as referred to in the Act on the Supervision of Financial and Insurance Conglomerates. The decision shall state the opinion of the foreign supervisory authorities referred to in this subsection regarding the acquisition. (28.12.2017/1071)

In lieu of this section,

- 1) section 7 of the Act on Employee Pension Companies shall apply to the processing of notifications of acquisition of shares and guarantee shares in an employee pension company;
- 2) chapter 2, section 11 of the Act on Trading in Financial Instruments shall apply to the processing of notifications of acquisition of holdings in a stock exchange or the holding company of a stock exchange;
- 3) the EU Central Securities Depositories Regulation shall apply to the processing of notifications of acquisition of holdings in a central securities depository or the holding company of a central securities depository. (16.6.2017/352)

*Paragraph 4 was repealed by Act 16.6.2017/352.*

### **Section 32c (27.3.2009/207)**

#### **Restriction of rights deriving from shares and participations**

The Financial Supervisory Authority may prohibit holders of shares or participations from exercising voting rights in a credit institution, investment firm, fund management company, alternative investment fund manager, depository or special depository, the holding company of a financial and insurance conglomerate, an electronic money institution, an insurance company, including their holding companies, a stock exchange, the holding company of a stock exchange, a central securities depository, or the holding company of a central securities depository, for no longer than one year at a time where:

- 1) a notification, as referred to in chapter 3, section 1 of the Credit Institutions Act, chapter 6a, section 1 of the Investment Services Act, chapter 4, section 7 of the Act on Common Funds,

chapter 7, section 9 or chapter 14, section 9 of the Act on Alternative Investment Fund Managers, section 11 of the Act on the Supervision of Financial and Insurance Conglomerates, section 21a of the Payment Institutions Act, chapter 2, section 11 of the Act on Trading in Financial Instruments, the EU Central Securities Depositories Regulation, or chapter 4, section 5 of the Insurance Companies Act; (19.11.2021/976)

2) the shares or participations have been acquired regardless of the Financial Supervisory Authority's prohibition as referred to in section 32a; or (29.6.2021/599)

3) a holding meeting or exceeding the holding limit laid down in the sections of law referred to in paragraph 1 jeopardises, in the manner referred to in section 32a, the operation of the target company or target entity in accordance with sound and prudent business principles or, if the target company is an insurance company, the insured interests. (29.6.2021/599)

When the Financial Supervisory Authority has issued the prohibition referred to in subsection 1, the holder of shares or participations in the target company does not have any rights in respect of these shares or participations other than the right to profit. Any acquisition referred to in subsection 1, paragraph 1 or 2, above may not be entered in the register of shares or guarantee shares of the target company, the shareholder or membership register or a register of guarantee share holders.

Instead of this section, the provisions of section 7a of the Act on Employee Pension Insurance Companies shall apply to holders of shares and guarantee shares in employee pension insurance companies.

If the ECB is the competent authority under the SSM Regulation to take the decision as referred to in this section, the Financial Supervisory Authority shall make a proposal for a decision to the ECB. (8.8.2014/611)

## **General powers**

### **Section 33 (28.12.2017/1071)**

#### **Prohibition of execution and request for redress**

The Financial Supervisory Authority may prohibit the execution of a decision or other planned measure of a supervised entity or other financial market participant, if such decision or measure contradicts the provisions governing the financial markets applicable to supervised entities or other financial market participants, or the regulations issued thereunder, the terms of authorisation, or the rules issued for the operations of the supervised entity or other financial market participant.

If a supervised entity or other financial market participant has executed a decision as referred to in subsection 1 or carried out such other measure as referred to in subsection 1, the Financial Supervisory Authority may obligate the supervised entity or other financial market participant to take measures to revoke the execution of the decision, to rescind the measure or to make redress. The Financial Supervisory Authority shall reserve a reasonable period of time for the supervised entity or other financial market participant for revoking the execution of the decision, rescinding the measure or making redress, unless the achievement of the objectives for financial supervision laid down in section 1 is thereby seriously jeopardised. If the decision by the Financial Supervisory Authority referred to in this subsection significantly affects the position of the supervised entity's or other financial market participant's contracting party or other outside person, this subsection shall be applied on condition that the execution of such decision or the implementation of such measure could seriously jeopardise the achievement of the objectives for financial supervision laid down in section 1.

The Financial Supervisory Authority may obligate a supervised entity or other financial market participant to cease an action applied by the supervised entity or other financial market participant in its operations and prohibit the renewal of the action, if the action contradicts the provisions, regulations, terms of authorisation or rules referred to in subsection 1. The Financial Supervisory Authority shall reserve a reasonable period of time for such supervised entity or other financial market participant for remedying its action, unless the achievement of the objectives for financial supervision laid down in section 1 is thereby seriously jeopardised.

*Subsection 4 was repealed by Act 22.2.2019/215.*

The prohibition or request for redress referred to above in this section may, subject to special grounds, be imposed on anyone employed by the supervised entity or other financial market participant, or on anyone acting on their behalf.

**Section 33a (14.12.2012/752)****Conditional imposition of a fine**

If a supervised entity or other financial market participant has in its activities failed to comply with the provisions governing the financial markets, or the regulations issued thereunder, a prohibition of execution or a request for redress issued by the Financial Supervisory Authority by virtue of section 33, or any other regulation or prohibition issued by the Financial Supervisory Authority by virtue of law, or fails to comply with the terms of its authorisation or the rules applicable to its operations, the Financial Supervisory Authority may, under penalty of a fine, order the supervised entity or other financial market participant to fulfil its obligations, provided that the negligence is not negligible. Subject to special grounds, a conditional fine may also be imposed on anyone employed by the supervised entity or other financial market participant, or on anyone acting on their behalf. The provisions of this subsection shall also apply to such other undertaking belonging to a conglomerate as referred to in the Act on the Supervision of Financial and Insurance Conglomerates that fails to meet its responsibilities under the said Act or the regulations issued thereunder. (28.12.2017/1071)

The Financial Supervisory Authority may, under penalty of a fine, obligate an entity as referred to in sections 18, 19, 21, 23 and 24 to fulfil its obligations as prescribed in the said sections, provided that the negligence is not negligible.

Conditional imposition of a fine may not be applied to a natural person to enforce the obligation to disclose information laid down in this Act where there is reason to suspect the person of a crime and the information is related to the suspected crime.

Unless otherwise specifically provided elsewhere in law, the Financial Supervisory Authority shall decide on ordering payment of a conditionally imposed fine. The provisions of the Act on Conditional Fines (1113/1990) shall otherwise apply to the imposition and ordering payment of conditional fines.

**Section 34**

## **Employment of outside expert advisers**

In order to clarify a matter pertinent to the purpose of supervising a supervised entity or other financial market participant and that requires special expertise, the Financial Supervisory Authority may employ an auditor or other outside expert adviser. Such persons shall in the performance of their duties have the rights referred to in sections 18, 19, 23 and 24 and be subject to public liability under criminal law when performing administrative duties under public law imposed in accordance with this Act. The provisions of the Tort Liability Act shall apply to any damage arising from the performance of their duties by expert advisers.

Expert advisers shall be adequately conversant with financial activities, accounting and legal issues in relation to the nature and scope of their tasks. The provisions of section 15 shall apply to the disqualification of an expert adviser.

The Financial Supervisory Authority may order an expert adviser's fee to be paid out of the funds of the supervised entity or other undertaking or foundation operating in financial markets if there are special grounds attributable to the activities of the supervised entity or other undertaking or foundation operating in financial markets for employing an expert adviser. The fee shall correspond to the general level of fees in the field. The Financial Supervisory Authority shall be liable for payment of any fee that is not collectable from the supervised entity or other undertaking or foundation operating in financial markets.

## **Section 35**

### **Issuance of regulations for entering transactions**

The Financial Supervisory Authority may issue a supervised entity and financial institutions and insurance-sector companies belonging to the same group as the supervised entity with such technical regulations as are necessary for supervision and concern the entering in the books of transactions and off-balance-sheet commitments, by way of derogation from the provisions of chapter 2, sections 4–10 of the Accounting Act and provisions enacted by virtue thereof.

### **Section 35a (29.6.2016/520)**

## **Applying for precautionary measures**

The Financial Supervisory Authority has the right to apply to a district court for attachment of property in order to secure payment of a penalty payment or administrative fine. Provisions on attachment are laid down in chapter 7 of the Code of Judicial Procedure. The Financial Supervisory Authority shall not, however, be ordered to lodge the security referred to in chapter 8, section 2 of the Enforcement Code (705/2007).

## **Specific supervisory powers related to securities markets supervision**

### **Section 36**

#### **Prohibition of revealing investigation**

The Financial Supervisory Authority may prohibit a person who attends an inspection undertaken by itself, or from whom it has requested information or reports in a matter that may lead to the investigation of a crime or offence, from disclosing such inspection or requested information and reports to the person subject to investigation or to any other person. The prohibition shall be issued in writing. The provisions of chapter 11, section 5 of the Preliminary Investigations Act (805/2011) shall apply to the conditions of the prohibition and its validity. (22.7.2011/833)

The penalty for violation of the prohibition referred to in subsection 1 above shall be imposed in accordance with chapter 38, section 1 or 2 of the Penal Code (39/1889), unless a more severe penalty is provided elsewhere in law.

### **Section 37**

#### **Monitoring of compliance with International Financial Reporting Standards**

The Financial Supervisory Authority shall monitor compliance with International Financial Reporting Standards (IFRSs) by accounting entities which, under the Accounting Act or any other act, are liable to prepare their financial statements in accordance with such standards as referred to in chapter 7a of the Accounting Act (*IFRS accounting entity*). The provisions on financial statements

in this section shall also apply to reports on activities, financial statement announcements and interim financial reports. (14.12.2012/752)

Where the Financial Supervisory Authority considers that an IFRS accounting entity has prepared its financial statements erroneously, the Financial Supervisory Authority may demand that the IFRS accounting entity correct the error. The demand for correction shall indicate that the IFRS accounting entity may request an opinion on the matter from the Accounting Board as prescribed in subsection 3.

Where the IFRS accounting entity considers that it has not been in breach of the applicable provisions in the matter that caused the demand for correction, the IFRS accounting entity may, within one month of receipt of notice of the demand for correction, request an opinion on the matter from the Accounting Board.

The Financial Supervisory Authority may, under penalty of a fine as referred to in section 33a, obligate an IFRS accounting entity to comply with a demand for correction. The Financial Supervisory Authority may not take such decision prior to issuance of an opinion as referred to in subsection 3, or, where the accounting entity does not request an opinion, prior to expiry of the term prescribed in subsection 3. The Financial Supervisory Authority may, however, take the decision notwithstanding the above where an opinion has not been issued within four months of receipt of notice of the demand for correction by the IFRS accounting entity. (7.3.2014/170)

The Financial Supervisory Authority may issue IFRS accounting entities with regulations on the regular submission of financial statements and related documents to the Financial Supervisory Authority as are necessary for monitoring compliance with this section.

The provisions of sections 18, 19 and 24 on the Financial Supervisory Authority's right to inspect and obtain information concerning other financial market participants shall also apply to subsidiaries of IFRS accounting entities. The provisions of section 24, subsection 2 on undertakings acting under assignment of other financial market participants shall also apply to undertakings engaged by subsidiaries of IFRS accounting entities to attend to the accounting duties of such subsidiaries.

**Section 37 a (21.12.2012/902)****Exercise of special powers as referred to in the Short Selling Regulation and in the KIDs for PRIIPs Regulation (21.4.2017/228)**

Before taking a decision on exceptional circumstances as referred to in Article 20(2) and Article 21 of the Short Selling Regulation or a decision as referred to in Article 13(3) and Article 14(2) of the Regulation, the Financial Supervisory Authority shall request an opinion on the matter from the Ministry of Finance and the Bank of Finland, unless the urgency of the matter warrants otherwise. However, an opinion from the Ministry of Finance shall always be requested in the cases referred to in subsection 2.

The Financial Supervisory Authority may not take a decision as referred to in Article 20(2) or Article 21 of the Short Selling Regulation or give its consent, as referred to in Article 22, to such measures as referred to in Article 20 or 21 of the Regulation as the competent authorities of other EEA member states intend to impose on Finnish government bonds or related credit default swaps, if the Ministry of Finance objects to the decision or consent.

The Financial Supervisory Authority shall forthwith notify the Ministry of Finance of any known circumstances of the application of Articles 13 and 14 of the Short Selling Regulation concerning a Finnish government bond or related credit default swap.

The Financial Supervisory Authority can require the developer of a product referred to in the KIDs for PRIIPs Regulation, the provider of advice on such a product and the vendor of the product to provide information to the investors in question about any decision it makes by virtue of chapter 3 or 4, and about where investors can submit appeals or claims for compensation. (21.4.2017/228)

**Section 37b (29.6.2016/520)****Fixed-term prohibition on trading**

The Financial Supervisory Authority can prohibit a natural person from trading in financial instruments on his or her own account, directly or indirectly, for a fixed term, at most five years, if he or she fails to comply with or violates the provisions of the Market Abuse Regulation on insider

dealing, the prohibition on unlawful disclosure of inside information or the prohibition on market manipulation in Articles 14 and 15, on the prevention and detection of market abuse in Article 16(1) or (2), on managers' transactions in Article 19(1–3),(5–7) or (11), or on investment recommendations in Article 20(1).

### **Section 37c (21.4.2017/228)**

#### **Submission of the key information documents referred to in the KIDs for PRIIPs Regulation to the Financial Supervisory Authority**

The developer of a packaged investment product or the product vendor shall submit the key information document drawn up for the product as referred to in the KIDs for PRIIPs Regulation to the Financial Supervisory Authority for its information, no later than when the distribution of the product in Finland begins.

### **Section 37d (28.12.2017/1071)**

#### **Supervision of commodity derivatives positions**

Confidentiality obligations notwithstanding, the Financial Supervisory Authority shall have the right to obtain information related to the supervision of compliance with chapter 10, section 3 of the Act on Trading in Financial Instruments from any person. The Financial Supervisory Authority may obligate the person referred to in such provision to take measures to reduce the size of the position or exposure or to restrict the person's possibilities to enter into commodity derivative contracts.

### **Section 37e (19.11.2021/941)**

#### **Temporary prohibition to submit the notification referred to in the Securitisation Regulation**

The Financial Supervisory Authority may, for a specified period of up to five years, prohibit an originator or sponsor from submitting the notification referred to in Article 27(1) of the Securitisation Regulation, where such originator or sponsor does not comply with the provisions of Articles 19–22 of the Securitisation Regulation on simple, transparent and standardised

securitisation, the provisions of Articles 23–26 on short-term and programme-level securitisation intended to be simple, transparent and standardised, or the provisions of Articles 26a–26e on simple, transparent and standardised securitisation of the balance sheet.

## **Chapter 4**

### **Administrative sanctions**

#### **Section 38 (14.12.2012/752)**

##### **Administrative fine**

The Financial Supervisory Authority may impose an administrative fine on anyone who wilfully or negligently

1) fails to comply with or violates the obligation to provide the Financial Supervisory Authority with such information as referred to in section 18, subsection 2 or 3 of the present Act, or any other information to be regularly provided to the Financial Supervisory Authority under provisions or regulations for the fulfilment of its statutory mission;

2) fails to comply with or violates the provisions laid down in chapter 15, section 1 of the Securities Markets Act, chapter 15, section 1 of the Investment Services Act, chapter 12, section 1 of the Act on Trading in Financial Instruments, chapter 8, section 5 of the Act on the Book-Entry System and Settlement Activities, chapter 22, section 1 of the Act on Alternative Investment Fund Managers, or chapter 27, section 1 of the Act on Common Funds; (1.4.2022/205)

3) fails to comply with or violates the notification requirement as referred to in Article 5(1), the public disclosure requirement as referred to in Article 6(1), or the notification requirement as referred to in Article 7(1) or Article 8 of the Short Selling Regulation; or fails to comply with the restrictions referred to in Article 12(1), Article 13(1) or Article 14(1) of the Regulation, or a decision taken by the Financial Supervisory Authority by virtue of Article 18(1) or Article 19(2) of the Regulation; (12.4.2013/254)

4) fails to comply with or violates Article 4(3)(a) of the European Market Infrastructure Regulation on the provision of clearing services on proportionate, fair, reasonable and non-discriminatory terms, Article 5 on the clearing obligation procedure, Article 7 on the access to a CCP, Article 8 on access to a trading venue, Article 9 on the reporting requirement, or Article 11 on risk-mitigating techniques for OTC derivative contracts not cleared by a CCP; (8.5.2020/316)

- 5) fails to comply with or violates the notification requirements under Article 42(2) of the Auctioning Regulation; (19.12.2014/1198)
- 6) fails to comply with or violates the liability to pay the EU stability fee as referred to in chapter 4 of the Act on the Finnish Resolution Authority, or the liability to pay the deposit guarantee fee as referred to in chapter 5 of the Act; (9.12.2016/1055)
- 7) fails to comply with or violates the obligation to provide credit transfer services as referred to in chapter 15a, section 1 of the Credit Institutions Act or section 9a of the Payment Institutions Act, the obligation to submit a description, notification or audit statement as referred to in section 8a, subsection 1 or 2 of the Payment Institutions Act, or the obligations of the receiving service provider as referred to in chapter 15a, section 3, or the obligations of a transferring service provider as referred to in section 4 or 5, of the Credit Institutions Act; (14.12.2017/893)
- 8) fails to comply with or violates the obligation to provide a payments account referred to in chapter 15, section 6, the obligations concerning the features of a payment account or the service offering referred to in section 6a, or the obligations concerning the termination or closure of a payment account as referred to in section 6b, of the Credit Institutions Act; (7.5.2021/379)
- 9) fails to comply with or violates the provisions of Article 3 of the Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector, hereinafter referred to as *Disclosures Regulation*, on the publication of policies on the integration of sustainability risks on the website, the provisions of Article 5(1) on transparency of remuneration policies and websites in relation to the integration of sustainability risks, or the provisions of Article 12 on the review and updating of information published on the website in accordance with Articles 3, 5 or 10; (11.3.2022/153)
- 10) fails to comply with or violates the provisions of section 36 of the Act on Mortgage Credit Banks and Covered Bonds on information disclosures or the provisions of section 38 on reporting mortgage credit bank operations or any regulations issued thereunder by the Financial Supervisory Authority; (16.2.2023/184)
- 11) fails to comply with or violates the provisions of section 8, subsection 3 of the Act on the Registering of Certain Credit Providers and Credit Intermediaries on reporting. (16.2.2023/184)

The size of the administrative fine is based on a comprehensive assessment. In assessing the size of the administrative fine consideration shall be given to the nature, extent and duration of the malpractice. The administrative fine payable by a legal person shall amount to no less than EUR

5,000 and to no more than EUR 100,000. The administrative fine payable by a natural person shall amount to no less than EUR 500 and to no more than EUR 10,000.

The administrative fine shall be ordered to be paid to the State.

If the act or omission is particularly reprehensible, a penalty fee may become payable instead of an administrative fine.

An administrative fine may be issued, provided that the matter, in comprehensive assessment, does not warrant more severe action. (8.8.2014/611)

An administrative fine shall also be imposed on anyone who fails to comply with or violates more detailed provisions or regulations issued by virtue of the provisions referred to in subsection 1 of this section, or the provisions of Commission Regulations and Decisions. (7.5.2021/379)

### **Section 39 (14.12.2012/752)**

#### **Public warning**

The Financial Supervisory Authority may issue a public warning to a supervised entity or other financial market participant that wilfully or negligently violates the provisions governing financial markets or the regulations issued thereunder, other than the provisions laid down in section 38, subsection 1 or section 40, subsection 1 or 2 of the present Act. A public warning may also be issued to a supervised entity that wilfully or negligently violates the terms of its authorisation or the rules governing its operations. (12.4.2013/254)

A public warning may be issued if, based on a comprehensive assessment, the matter does not warrant more severe action.

### **Section 40 (14.12.2012/752)**

#### **Penalty payment**

A penalty payment shall be imposed on anyone who wilfully or negligently fails to comply with or violates the provisions or decisions as referred to in chapter 15, section 2 of the Securities Markets Act, chapter 15, section 2 of the Investment Services Act, chapter 12, section 2 of the Act on Trading in Financial Instruments, section 15 of the Act on Securities Accounts, chapter 8, section 6 of the Act on the Book-Entry System and Settlement Activities, section 48a of the Payment Institutions Act, chapter 22, section 2 of the Act on Alternative Investment Fund Managers, chapter 27, section 2 of the Act on Common Funds, chapter 20, section 1 of the Credit Institutions Act, section 17, subsection 2 of the Savings Accounts Act (680/2019), chapter 18, section 1 of the Crisis Resolution Act, or section 21 of the Act on the Registering of Certain Credit Providers and Credit Intermediaries, or section 68 or 71 of the Insurance Distribution Act, or section 46 of the Act on Mortgage Credit Banks and Covered Bonds. (16.2.2023/184)

A penalty payment shall also be imposed on anyone who wilfully or negligently fails to comply with or violates

- 1) the provision of Article 4(1) or Article 4(3) of the European Market Infrastructure Regulation on the clearing obligation of financial or non-financial counterparties having entered into OTC derivative contracts, the provision of Article 4a(1) or Article 4a(2) on the clearing obligation and notification obligation of financial counterparties having entered into OTC derivative contracts, or the provision of Article 10(1) or Article 10(2) on the clearing obligation and notification obligation of non-financial counterparties having entered into OTC derivative contracts; (8.5.2020/316)
- 2) a decision made by the Financial Supervisory Authority by virtue of Articles 20(2), 21(1) or 23(1) of the Short-Selling Regulation or a decision made by the European Securities and Markets Authority by virtue of Article 28(1) of the Regulation;
- 3) the provisions of Articles 38, 39 and 40 of the Auction Regulation on the prohibited use of inside information, the provisions of Article 41 on the prohibition of market manipulation, or the provisions of Article 42(1), 42(3) or 42(5) on specific requirements to mitigate the risk of market abuse;
- 4) the provision of Article 5(1) of the Regulation on key information documents for packaged investment products on drawing up the key information document, the provision of Articles 6 and 7 and Article 8(1)-(3) on the form and content of the key information document, the provision of Article 9 on the contents of marketing communications, the provision of Article 10(1) on the regular review of the key information document, the provision of Article 13(1), 13(3) and 13(4)

and Article 14 on the provision of the key information document and the provision of Article 19 on the processing of customer complaints;

5) the provision of Article 3(1) of Regulation (EU) 2015/751 of the European Parliament and of the Council on interchange fees for card-based transactions, hereinafter referred to as *Regulation on interchange fees for card-based transactions*, on the maximum interchange fee per transaction of 0.2% of the value of the transaction for any debit card transaction, or the provision of Article 4 on the maximum interchange fee per transaction of 0.3% of the value of the transaction for any credit card transaction; (14.12.2018/1108)

6) the provisions of Articles 4–16 of the Benchmark Regulation on the integrity and reliability of benchmarks, the provisions of Articles 19a–19c on EU climate transition benchmarks and EU Paris aligned benchmarks, the provisions of Articles 21–26 on critical, significant and non-significant benchmarks, the provisions of Article 27 on the benchmark statement, the provisions of Article 28 on changes to and cessation of the benchmark, the provisions of Article 29 on the use of benchmarks and the provisions of Article 34 on the authorisation and registration of an administrator; (29.6.2021/599)

7) the provision of Article 6 of the Securitisation Regulation on risk retention, the provision of Article 7 on transparency requirements, the provision of Article 9 on criteria for credit-granting, the provision of Article 18 on the use of the designation 'simple, transparent and standardised securitisation', the provisions of Articles 19–22 on simple, transparent and standardised securitisation, or the provisions of Articles 23–26 on programme-level and short-term securitisation intended to be simple, transparent and standardised, the provision of Article 27(1) by issuing a misleading notification, the provision of Article 27(4) on the notification to be submitted to the European Securities and Markets Authority or a competent authority, or the obligation referred to in Article 28(2) to notify the competent authority of any material changes to the information provided under paragraph 1 of the said Article; (19.11.2021/941)

8) the provisions of Article 4 of the Regulation on Reporting and Transparency of Securities Financing Transactions on the reporting obligation and safeguarding in respect of SFTs, or the provisions of Article 15 on the reuse of financial instruments received under a collateral arrangement; (7.5.2021/379)

9) the provisions of Article 4(1) of Regulation (EU) 2017/1131 of the European Parliament and of the Council on money market funds, hereinafter referred to as *Regulation on Money Market Funds*, on the authorisation criteria for the establishment, management and marketing of money market funds, the provisions of Article 4(5) or Article 5(2) on the information to be submitted when applying for an authorisation for a money market fund, if the authorisation has been granted on

the basis of false or misleading information from the applicant, the provisions of Article 6 on the use of the designation 'money market fund' or 'MMF', the provisions of Articles 9–16 on the requirements regarding asset composition, the provisions of Articles 17, 18, 24 or 25 on the portfolio requirement, the provisions of Articles 19–21 or Article 23 on the requirements regarding the internal credit quality assessment, the provisions of Article 26 on MMF credit ratings, the provisions of Article 27 on the 'know your customer' policy to be applied by an MMF manager, the provisions of Article 28 on stress testing, the provisions of Articles 29–34 on the requirements regarding valuation, or the provisions of Article 36 on transparency requirements; (7.5.2021/379)

10) the provisions of the Disclosures Regulation, as specified below:

a) the provisions of Article 4(1–5) on the transparency of adverse sustainability impacts on the website at entity level;

b) the provisions of Article 6 on the transparency of the integration of sustainability risks in pre-contractual disclosures;

c) the provisions of Article 7 on the transparency of adverse sustainability impacts at financial product level in pre-contractual disclosures;

d) the provisions of Article 8(1) or Article 8(2) on the transparency of the promotion of environmental or social characteristics in pre-contractual disclosures;

e) the provisions of Article 9(1–4) on the transparency of sustainable investments in pre-contractual disclosures;

f) the provisions of Article 10(1) on the transparency of the promotion of environmental or social characteristics and of sustainable investments on websites;

g) the provisions of Article 11(1) or Article 11(2) on the transparency of the promotion of environmental or social characteristics and of sustainable investments in periodic reports;

h) the provisions of Article 13(1) on marketing communications; (1.4.2022/214)

11) the provisions of Article 5 of Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, hereinafter referred to as the Taxonomy Regulation, on the transparency of environmentally sustainable investments in pre-contractual disclosures and in periodic reports, the provisions of Article 6 on the transparency of financial products that promote environmental characteristics in pre-contractual disclosures and in periodic reports, or the provisions of Article 7 on the transparency of other financial products in pre-contractual disclosures and in periodic reports; or (1.4.2022/214)

12) the provisions of Articles 5-7 of the PEPP Regulation on obligation to register and provisions on providing erroneous or misleading information on registration to the central public register kept by EIOPA, provisions of Article 18 on providing portability service, provisions of Article 19 on using sub-accounts of the PEPP, provisions of Article 20 on disclosing information when opening a new sub-account, provisions of Article 21 on providing information on portability to competent authorities, provisions of Article 22 on general principle of PEPP providers and PEPP distributors, provisions of Article 23 on distribution regime applicable to PEPP providers and PEPP distributors, provisions of Article 24 on electronic distribution and distribution through other durable mediums, provisions of Article 25 on product oversight, provisions of Article 26 on PEPP KID, provisions of Article 27 on the language of the PEPP KID, provisions of Article 28 on the content of the PEPP KID, provisions of Article 29 on marketing materials, provisions of Article 30 on revision of the PEPP KID, provisions of Article 31 on civil liability, provisions of Article 32 on PEPP contracts which cover biometric risks, provisions of Article 33 on providing the PEPP KID, provisions of Article 34 on specifying the demands and needs and providing advice to PEPP saver, general provisions of Article 35 on the PEPP Benefit Statement, provisions of Article 36 on the content of the PEPP Benefit Statement, provisions of Article 37 on supplementary information to the PEPP Benefit Statement, provisions of Article 38 on information given to PEPP savers during the pre-retirement phase and to PEPP beneficiaries during the decumulation phase, provisions of Article 39 on information to be given on request to PEPP savers and PEPP beneficiaries, provisions of Article 40 on general reporting provisions to national authorities, provisions of Article 41 on accumulation phase investment rules, provisions of Article 42 on general investment options provisions for PEPP savers, provisions of Article 43 on the choice of investment option by the PEPP saver, provisions of Article 44 on modification of the chosen investment option, provisions of Article 45 on the Basic PEPP, provisions of Article 46 on risk-mitigation, provisions of Article 47 on conditions related to the accumulation phase, provisions of Article 48 on the depositary and oversight duties of the depositary, provisions of Article 50 on the settlement of complaints, provisions of Article 52 on providing switching service, provisions of Article 53 on the initiation of switching service, provisions of Article 54 on fees and charges connected with the switching service, provisions of Article 55 on protection against financial loss, or provisions of Article 56 on information about the switching service. (1.4.2022/214)

A penalty payment cannot be imposed on a natural person for an act or omission that is punishable by law. The Financial Supervisory Authority may, however, impose a penalty payment but decide not to report the matter to the pre-trial investigation authorities, if the act or omission,

after comprehensive assessment, is deemed negligible in terms of its detrimental effect, the guilt of the offender, the resulting gain and any other aspects of the act or omission. (8.8.2014/611)

In addition to or in place of a penalty payment imposed on a legal person, a penalty payment can be imposed on someone who is part of the legal person's management and whose obligations it is that are breached by the act or failure laid down above in this section. A precondition for the penalty payment imposed on such a person is that the person has contributed in a significant way to the act or failure. (23.10.2015/1279)

A penalty payment shall also be imposed on anyone who violates or fails to comply with the provisions of section 18, subsection 1, section 19, subsection 1 or 3, or section 23 or 24 of this Act on the Financial Supervisory Authority's right to obtain information and right of inspection in connection with the performance of the supervisory or inspection duties related to the provisions referred to in subsection 2, paragraph 6 above. However, a penalty payment must not be imposed on a natural person for violation of the said provisions of this Act where there is cause for suspicion that the person is guilty of a crime and the information is related to a suspected crime. (15.3.2019/296)

A penalty payment shall also be imposed on anyone who fails to comply with or violates the provisions of Commission Regulations and Decisions issued by virtue of the provisions referred to in subsection 2 of this section. (7.5.2021/379)

### **Section 40a (9.7.2020/569)**

#### **Imposition of an administrative fine, public warning or penalty payment for certain offences**

Provisions on the imposition of an administrative penalty, public warning or penalty payment on someone who fails to comply with or violates the legislation on the prevention or investigation of money laundering and terrorist financing or Regulation (EU) 2015/847 of the European Parliament and of the Council on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006, are laid down in the Act on Preventing Money Laundering and Terrorist Financing.

Provisions on the imposition of a penalty payment for violation of certain consumer protection regulations are laid down in the Act on Certain Powers of the Consumer Protection Authorities. A public warning as referred in section 39 above shall not be issued if a supervised entity or other financial market participant is acting in violation of the provisions referred to in the said Act.

## **Section 41 (8.8.2014/611)**

### **Imposition of a penalty payment**

Penalty payments shall be imposed by the Financial Supervisory Authority. (28.12.2017/1071)

The size of the penalty payment is based on a comprehensive assessment. In assessing the size of the penalty payment consideration shall be given to the nature, extent and duration of the act or omission and the financial position of the actor. In addition, the assessment shall give consideration to the resulting gain or damage, in so far as it can be determined, the person's cooperation with the Financial Supervisory Authority to resolve the situation and measures to prevent the recurrence of the violation, other and previous offences or failures related to financial market provisions and potential consequences of the act or omission for financial stability. (19.12.2018/1229)

In addition to the provisions of subsection 2 above, in the case of a violation of the Benchmark Regulation, the consequences of the act or omission for the real economy shall also be considered in assessing the size of the penalty payment. In the case of a violation of Regulation (EU) 2017/1129 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 on a regulated market, and repealing Directive 2003/71/EC, hereinafter referred to as *Prospectus Regulation*, the consequences for the status of non-professional customers shall also be considered in assessing the size of the penalty payment. In the case of a violation of the Crowdfunding Regulation, the impact on investors' interests shall also be considered in assessing the size of the penalty. (1.4.2022/205)

The penalty payment shall amount to no more than 10% of the turnover of the financial statements of the legal person for the year preceding the imposition of the penalty payment, and to no more than EUR 10 million. If the accounts have not yet been closed by the date on which the penalty payment is imposed, the penalty payment shall be based on the turnover of the

preceding year. If the legal person has recently taken up business and there are no financial statements available, the turnover may be assessed on the basis of other available information. (18.6.2021/524)

The penalty payment imposed on a natural person shall amount to no more than 10% of his or her income, according to the latest tax assessment, but to no more than EUR 100,000. Failing to obtain a reliable statement of income from tax data, or in the event that the income has changed substantially since the latest tax assessment, income may be assessed on the basis of other information. (19.12.2018/1229)

If the penalty payment imposed on a natural person providing financial market services concerns his or her business activity under section 5, paragraph 17, the penalty payment shall amount to no more than 10% of the income from this business, according to the latest tax assessment, but to no more than EUR 2.5 million. (19.12.2018/1229)

In this section above, *turnover* means:

- 1) in the case of credit institutions and investment firms applying the EU Capital Requirements Regulation, the income calculated in accordance with Article 316 of the EU Capital Requirements Regulation; (18.6.2021/524)
- 2) the premiums written of an insurance company, insurance association, pension institution and a separate company as referred to in chapter 2, section 18b of the Insurance Companies Act and the premiums written of a pension fund, supplementary pension fund, EEA supplementary pension fund and employee benefit fund; (19.11.2021/954)
- 3) in the case of a legal person other than that referred to in paragraph 1 or 2, the turnover referred to in chapter 4, section 1 of the Accounting Act, or an equivalent turnover. (18.6.2021/524)

The penalty payment is payable to the State.

#### **Section 41a (20.4.2018/241)**

##### **Maximum amount of penalty payment in certain cases**

If a penalty payment is imposed for violation of or failure to comply with the provisions of chapter 20, section 1, subsections 2 and 4 of the Credit Institutions Act, chapter 15, section 2, subsections 2 and 5 of the Investment Services Act, chapter 18, section 1 of the Crisis Resolution Act, or chapter 8, section 6, subsection 2 or 3 of the Act on Book-Entry Systems and Settlement Activities, the penalty payment imposed on a legal person shall amount to no more than 10% of the legal person's turnover for the year preceding the imposition of the penalty payment, while the penalty payment imposed on a natural person shall amount to no more than EUR 5 million.

(16.2.2023/192)

If a penalty payment is imposed for violation of chapter 15, section 2, subsection 2 of the Securities Markets Act, the penalty payment imposed on a legal person shall amount to no more than either 5% of the legal person's turnover for the year preceding the imposition of the penalty payment or EUR 10 million, whichever is the higher, while the penalty payment imposed on a natural person shall amount to no more than EUR 2 million. (18.6.2021/524)

If the penalty payment is imposed for violation of chapter 27, section 2, subsection 2 or 3 of the Act on Common Funds, chapter 15, section 2, subsection 6 or 7 of the Investment Services Act or chapter 12, section 2, subsection 2 or 3 of the Act on Trading in Financial Instruments, or the provisions laid down in section 40, subsection 2, paragraph 7 of this Act, the penalty payment imposed on a legal person shall amount to no more than either 10% of the legal person's turnover for the year preceding the imposition of the penalty payment or EUR 5 million, whichever is the higher, while the penalty payment imposed on a natural person shall amount to no more than EUR 5 million. (18.6.2021/524)

If a penalty payment is imposed for violation of the provisions referred to in section 68 or 71 of the Act on Insurance Distribution, the penalty payment imposed on a legal person shall amount to no more than either 5% of the legal person's turnover for the year preceding the imposition of the penalty payment or EUR 5 million, whichever is the higher, while the penalty payment imposed on a natural person shall amount to no more than EUR 700,000. (18.6.2021/524)

If a penalty payment concerns violation of or failure to comply with the provisions of section 40, subsection 2, paragraph 4, the penalty payment imposed on a legal person shall amount to no more than either 3% of the legal person's turnover for the year preceding the imposition of the

penalty payment or EUR 5 million, whichever is the higher. A penalty payment imposed on a natural person shall amount to no more than EUR 700,000. (18.6.2021/524)

If a penalty payment is imposed for violation of the provisions of chapter 15, section 2, subsection 1, paragraph 2, or subsection 4, of the Securities Markets Act, the penalty payment imposed on a legal person shall amount to no more than either 3% of the legal person's turnover for the year preceding the imposition of the penalty payment or EUR 5 million, whichever is the higher, while the penalty payment imposed on a natural person shall amount to no more than EUR 700,000. (18.6.2021/524)

If a penalty payment is imposed for violation of the provisions of section 40, subsection 2, paragraph 12, the penalty payment imposed on a legal person shall amount to no more than EUR 5 million, however the penalty shall be at most 10% of the legal person's turnover for the year preceding the imposition, while the penalty payment imposed on a natural person shall amount to no more than EUR 700,000. (1.4.2022/214)

If a penalty payment is imposed for the violation of or failure to comply with the provisions of section 20, subsection 1, paragraphs 1-24 of the Crowdfunding Act, the penalty payment imposed on a legal person shall amount to no more than either 5% of the legal person's turnover for the year preceding the imposition or EUR 500,000, whichever is higher, while the penalty payment for natural persons shall amount to no more than EUR 500,000. (1.4.2022/205)

Notwithstanding the provisions in this section above, the penalty payment shall, however, amount to no more than twice the resulting gain of the act or omission, if the gain can be determined.

If a penalty payment is imposed for violation of the provisions of chapter 15, section 2, subsection 3, paragraph 1 of the Securities Markets Act, the penalty payment imposed on a legal person shall amount to no more than either 15% of the legal person's turnover for the year preceding the imposition of the penalty payment or EUR 15 million, whichever is the higher, while the penalty payment imposed on a natural person shall amount to no more than EUR 5 million. (18.6.2021/524)

If a penalty payment is imposed for violation of the provisions of chapter 15, section 2, subsection 3, paragraph 2 of the Securities Markets Act, the penalty payment imposed on a legal person shall amount to no more than either 2% of the legal person's turnover for the year preceding the imposition of the penalty payment or EUR 2,500,000 million, whichever is the higher, while the penalty payment imposed on a natural person shall amount to no more than EUR 1 million. (18.6.2021/524)

If a penalty payment is imposed for violation of the provisions of chapter 15, section 2, subsection 3, paragraph 3 of the Securities Markets Act, the penalty payment imposed on a legal person shall amount to no more than EUR 1 million, while the penalty payment imposed on a natural person shall amount to no more than EUR 500,000.

If a penalty payment is imposed for violation of or failure to comply with the provisions referred to in section 40, subsection 2, paragraph 6, the penalty payment imposed on a legal person shall amount to no more than 10% of the legal person's turnover for the year preceding the imposition of the penalty payment or EUR 1 million, whichever is the higher, while the penalty payment imposed on a natural person shall amount to no more than EUR 500,000. (18.6.2021/524)

If the penalty payment referred to in subsection 13 above is imposed for violation of Article 11(1)(d) or Article 11(4) of the Benchmark Regulation, the penalty payment imposed on a legal person shall amount to no more than either 2% of the legal person's turnover for the year preceding the imposition of the penalty payment or EUR 250,000, whichever is the higher, while the penalty payment imposed on a natural person shall amount to no more than EUR 100,000. (16.2.2023/192)

If the penalty payment is imposed for violation of the provision referred to in section 40, subsection 2, paragraph 8, the penalty payment imposed on a legal person for violation of Article 4 of the Regulation referred to in this provision shall amount to no more than either 10% of the legal person's turnover for the year preceding the imposition of the penalty payment or EUR 5 million, whichever is the higher, and the penalty imposed for violation of Article 15 shall amount to no more than either 10% of the legal person's turnover for the year preceding the imposition of the penalty payment or EUR 15 million, whichever is the higher. The penalty payment imposed on a natural person shall amount to no more than EUR 5 million. (18.6.2021/524)

Notwithstanding the provisions of subsections 10–15 above, the penalty payment shall, however, amount to no more than three times the resulting gain from the act or omission, if the gain can be determined. (16.2.2023/192)

In this section, *turnover* means:

- 1) in the case of credit institutions and investment firms applying the EU Capital Requirements Regulation, the income calculated in accordance with Article 316 of the EU Capital Requirements Regulation, or if it is a parent company with an obligation to prepare consolidated financial statements or the subsidiary of a group, a turnover representing the consolidated financial statements of the uppermost parent company of the group; (18.6.2021/524)
- 2) the premiums written of an insurance company, insurance association, pension institution and a separate company as referred to in chapter 2, section 18b of the Insurance Companies Act and the premiums written of a pension fund, supplementary pension fund, EEA supplementary pension fund and employee benefit fund, and if the employee benefit fund, insurance association, pension institution separate company, pension fund, supplementary pension fund, EEA supplementary pension fund or employee benefit fund is the subsidiary of a group, the premiums written equivalent to the consolidated financial statements or comparable premiums written; (19.11.2021/954)
- 3) in the case of legal persons other than those referred to in paragraphs 1 or 2, the turnover referred to in chapter 4, section 1 of the Accounting Act or an equivalent turnover, or if the legal person is a parent company with an obligation to prepare consolidated financial statements, or is the subsidiary of a group, a turnover representing the consolidated financial statements of the uppermost parent company of the group. (18.6.2021/524)

### **Section 41b (28.12.2017/1071)**

#### **Combined penalty payment**

If an administrative fine or penalty payment is imposed at the same time for several failures or violations as referred to in sections 38, 40 or 41a, a combined penalty payment shall be imposed.

The combined penalty payment may not exceed the total maximum amount of administrative fines and penalty payments.

### **Section 41c (28.12.2017/1071)**

#### **Imposition of an administrative sanction in the context of mergers and acquisitions**

An administrative fine, public warning or penalty payment may also be imposed on a trader who has taken over the business where the failure or violation occurred through a merger or acquisition.

### **Section 42 (14.12.2012/752)**

#### **Decision not to impose an administrative sanction**

The Financial Supervisory Authority may decide not to impose an administrative fine or public warning if:

- 1) the entity referred to in section 38 or 39 above has independently initiated adequate corrective measures immediately upon detection of the error or notified, without delay, the Financial Supervisory Authority of the error, unless the error or omission is serious or recurrent;
- 2) the error or omission must be held to be of minor significance; or
- 3) the imposition of an administrative fine or a public warning must in other respects be held to be clearly unreasonable.

In lieu of a penalty payment, the Financial Supervisory Authority may impose a public warning on the grounds referred to in subsection 1, paragraphs 2 and 3.

An administrative fine or a penalty payment may not be charged to an entity that is under suspicion for the same act in a current criminal case under preliminary investigation, consideration for charges or pending before the court. Similarly, an administrative fine or a penalty payment may not be charged to an entity that has been rendered a final judgment for the same act.

The Financial Supervisory Authority may decide not to impose a penalty payment on a legal person, or suspend the payment thereof, if it submits a notification to the authorities as referred to in section 3c on the same issue, or takes another regulatory supervisory measure. (8.8.2014/611)

### **Section 42a (8.8.2014/611)**

#### **Statute of limitations concerning the right to impose administrative sanctions**

An administrative fine shall not be imposed or a public warning issued, if this has not been done within five years of the day on which the act or omission occurred, or in respect of a continued act or omission, within five years of the day on which the act or omission terminated.

The Financial Supervisory Authority may not impose a penalty payment, if this has not been done within ten years of the day on which the act or omission occurred, or in respect of a continued act or omission, within five years of the day on which the act or omission terminated.

(28.12.2017/1071)

### **Section 43 (18.3.2016/176)**

#### **Publication of administrative sanctions and other decisions**

The Financial Supervisory Authority shall disclose decisions on the imposition of administrative fines, public warnings or penalty payments without undue delay after notification of the decision to the sanctioned person. The disclosure shall indicate whether the decision on the issuance of the sanction is legally valid, as well as the nature and type of violation and the identity of the person guilty of the violation. If the appellate authority revokes the decision in whole or in part, the Financial Supervisory Authority shall disclose the decision of the appellate authority in the same manner as for the issuance of the sanction. The information on the administrative sanction must be made available on the Financial Supervisory Authority's website for five years.

(28.12.2017/1071)

If publication of the name of the natural person or legal person to whom the sanction applies would be unreasonable, or if publication of the sanction would compromise the stability of the financial market or an official investigation in progress, the Financial Supervisory Authority may:

- 1) postpone publication of the decision on the sanction until the grounds for doing so no longer exist;
- 2) publish the decision on the sanction without the name of the person to whom the sanction applies;
- 3) refrain from publishing the decision on the sanction if the actions referred to in paragraphs 1 and 2 are insufficient to ensure that the stability of the financial market remains uncompromised;
- 4) refrain from publishing a decision referred to in subsection 4 if its publication would not be reasonable on account of the minor nature of the action to which it refers.

If the Financial Supervisory Authority publishes a sanction decision without the name of the person to whom the sanction applies, in accordance with subsection 2, paragraph 2, the Financial Supervisory Authority may also decide that it will publish the name later on, after a reasonable period, provided that the grounds for non-publication cease to exist by that time.

The provisions of the present section on the publication of administrative fines, public warnings and penalty fees shall also apply to the publication of the decisions referred to in sections 26–28, 28a, 28b, 29, 32c, 33 and 33a of the present Act and chapter 19, section 8 and chapter 24, section 10 of the Act on Common Funds. (18.6.2021/524)

### **Section 43a (28.12.2017/1071)**

#### **Enforcement and refund of administrative fines and penalty payments**

Enforcement of administrative fines and penalty payments shall be the responsibility of the Legal Register Centre. Administrative fines and penalty payments imposed by virtue of this Act shall be enforced in the order stipulated in the Act on enforcement of fines.

*Section 43b was repealed by Act 1071/2017.*

*Section 44 was repealed by Act 1071/2017.*

### **Section 44a (18.3.2016/176)**

#### **Notification of sanctions and other decisions to the European Supervisory Authorities**

In cases as referred to in the European Union financial market regulations, the Financial Supervisory Authority shall deliver to the appropriate European Supervisory Authority:

- 1) information on a public sanction as referred to in this chapter at the same time as the issuance of a sanction is disclosed, together with information on a possible appeals process and the outcome of the appeals process;
- 2) information on unpublished sanctions referred to in this chapter at the same time as the sanction is issued or imposed, as well as information on any appeal and its outcome;
- 3) annual summaries of all sanctions imposed under this chapter and anonymised completed criminal investigations and imposed criminal sanctions. (1.4.2022/205)
- 4) information on criminal sanctions issued for the violation of provisions concerning financial markets, and information on any appeal and its outcome.

The provisions of subsection 1, paragraphs 1–3 on notification of sanctions shall also apply to decisions referred to in sections 26–28, 28a, 28b, 29, 32c, 33 and 33a of the present Act, chapter 19, section 8 and chapter 24, section 10 of the Act on Common Funds and sections 68 and 70 of the Act on Insurance Distribution. (18.6.2021/524)

*Section 44b was repealed by Act 29.12.2016/1442.*

## **Chapter 5**

### **Supervision of customer protection**

#### **Section 45 (20.4.2018/241)**

##### **Scope of application of provisions concerning supervision of customer protection**

The Financial Supervisory Authority shall supervise the compliance of supervised entities, private entrepreneurs as referred to in the Act on the Registering of Certain Credit Providers and Credit Intermediaries, intermediaries of consumer credit relating to residential property, insurance distributors and virtual currency providers with the provisions on marketing and use of contractual terms applicable to them as well as the provisions governing conduct in customer relationships that is, from the consumer viewpoint, contrary to good practice or otherwise inappropriate. Further

provisions on monitoring compliance with the provisions on the marketing of financial instruments are laid down in the Securities Markets Act, the Investment Services Act and other acts.

(16.2.2023/184)

The provisions of subsection 1 shall also apply to foreign branches, other foreign supervised entities providing services in Finland without establishing a branch, foreign intermediaries of consumer credit relating to residential property and foreign insurance distributors, in so far as the Financial Supervisory Authority is the competent authority responsible for monitoring compliance with the provisions applicable to them, as referred to in subsection 1.

## **Section 46**

### **Cooperation between authorities**

Legality of marketing, use of contractual terms and other procedures as referred to in section 45 shall also be monitored by the Consumer Ombudsman from the viewpoint of consumer protection.

The Financial Supervisory Authority and the Consumer Ombudsman shall engage in appropriate cooperation.

## **Section 47 (9.7.2020/569)**

### **Opinion by the Consumer Ombudsman**

Prior to taking steps under section 33 or 33a or chapter 4, the Financial Supervisory Authority shall request an opinion on the matter from the Consumer Ombudsman upon finding that a financial market participant as referred to in section 45 is acting in violation of the Consumer Protection Act (38/1978). The Financial Supervisory Authority shall also request an opinion from the Consumer Ombudsman before imposing a penalty fee by virtue of the Act on Certain Powers of the Consumer Protection Authorities.

*Sections 48 and 49 were repealed by the Act of 14.12.2012/752.*

## **Section 49a (29.6.2021/599)**

## **Notification to the European Supervisory Authorities of institutions issuing dispute resolution recommendations**

In the circumstances foreseen in the European Union financial market statutes, the Financial Supervisory Authority shall notify the relevant European Supervisory Authority of the procedures available in Finland to customers of supervised entities and other financial market participants for referring individual disputes over the application of financial market legislation for review to an independent institution issuing dispute resolution recommendations.

### **Chapter 6**

## **Supervision of foreign supervised entities and their Finnish branches, cooperation with foreign supervisory authorities and supervision of compliance with EU regulations (228/2017)**

### **General principles**

#### **Section 50 (28.12.2017/1071)**

##### **General cooperation commitment**

The Financial Supervisory Authority shall cooperate with foreign EEA supervisory authorities. The Financial Supervisory Authority shall also pay appropriate attention to the potential consequences of its decisions for the financial stability of other EEA member states, particularly in a crisis situation.

#### **Section 50a (16.7.2010/689)**

##### **Function as competitive authority for credit rating agencies**

The Financial Supervisory Authority shall exercise the function of competent authority referred to in Article 22 of Regulation (EC) No. 1060/2009 of the European Parliament and of the Council on credit rating agencies.

#### **Section 50b (9.12.2011/1242)**

**Referral of disputes to the European Supervisory Authorities for review**

In the circumstances foreseen in the European Union financial market statutes, the Financial Supervisory Authority may, in keeping with the Regulations on European financial supervision, refer a dispute between the Financial Supervisory Authority and a foreign EEA supervisory authority to the relevant European Supervisory Authority for review, if it concerns:

(29.6.2021/599)

- 1) the exchange of information or performance of inspections;
- 2) the exercise of supervisory powers or issuance of sanctions;
- 3) cooperation or discharge of duties in a college of supervisors;
- 4) any other matter addressed by the supervisory authorities within their competence.

**Section 50 c (21.12.2012/902)****Function as such competent authority as referred to in the Short Selling Regulation**

The Financial Supervisory Authority shall act as such competent authority as referred to in Article 32 of the Short Selling Regulation, subject to the provisions of section 37a.

**Section 50 d (8.5.2020/316)****Function as such competent authority as referred to in the European Market Infrastructures Regulation**

The Financial Supervisory Authority shall act as such authority as referred to in Article 10(5) of the European Market Infrastructures Regulation and as such competent authority responsible for monitoring compliance with this Regulation, as referred to in Article 22(1) of the European Market Infrastructures Regulation. The Financial Supervisory Authority is responsible for the cooperation between authorities and for the harmonisation of the exchange of information, as referred to in Articles 23, 23a, 24, 83 and 84 of the said Regulation.

**Section 50 e (12.4.2013/254)****Function as such competent authority as referred to in the Auctioning Regulation**

The Financial Supervisory Authority shall act as such competent authority as referred to in Article 43 of the Auctioning Regulation.

**Section 50 f (7.3.2014/170)**

**Function as such competent authority as referred to in the Directive on Alternative Investment Fund Managers and related Regulations of the European Parliament and of the Council**

The Financial Supervisory Authority shall act as such competent authority as referred to in Article 44 of the Directive on Alternative Investment Fund Managers.

The Financial Supervisory Authority shall act as such competent authority as referred to in Article 3 of the Regulation (EU) No 345/2013 of the European Parliament and of the Council on European venture capital funds.

The Financial Supervisory Authority shall act as such competent authority as referred to in Article 3 of the Regulation (EU) No 346/2013 of the European Parliament and of the Council on European social entrepreneurship funds.

The Financial Supervisory Authority shall act as the competent authority referred to in Article 3 of Regulation (EU) No 2015/760 of the European Parliament and of the Council on European long-term investment funds. (25.8.2016/737)

The Financial Supervisory Authority shall act as the competent authority referred to in Article 38 of the Regulation on Money Market Funds. (22.2.2019/215)

**Section 50g (29.1.2016/60)**

**Competent authority referred to in Card Transaction Interchange Fees Regulation**

The Financial Supervisory Authority shall act as the competent authority overseeing compliance with the Regulation, as referred to in Article 13 of the Card Transaction Interchange Fees Regulation.

**Section 50h (29.6.2016/520)**

**Acting as competent authority referred to in the Market Abuse Regulation**

The Financial Supervisory Authority shall act as the competent authority referred to in Article 22 of the Market Abuse Regulation.

**Section 50i (12.8.2016/642)**

**Acting as competent authority in regard to auditing a public interest entity**

The Financial Supervisory Authority shall act as the competent authority in accordance with Article 20(2) of the European Union Audit Regulation in the evaluation and monitoring of the performance of audit committees as referred to in Article 27(1)(c) of the Regulation.

**Section 50j (9.12.2016/1055)**

**Acting as an authority under the Payment Accounts Directive**

The Financial Supervisory Authority shall act as the competent authority referred to in Article 21 of the Payment Accounts Directive and as the contact point referred to in Article 22 of the Directive.

**Section 50k (29.6.2021/599)**

**Acting as competent authority referred to in the Benchmarks Regulation**

The Financial Supervisory Authority shall act as the competent authority referred to in Article 40(2) of the Benchmarks Regulation.

**Section 50l (21.4.2017/228)**

**Acting as competent authority referred to in the KIDs for PRIIPs Regulation**

The Financial Supervisory Authority shall act in accordance with Articles 4(8) and 15(2) of the KIDs for PRIIPs Regulation as the competent authority referred to in the Regulation.

**Section 50m (16.6.2017/352)**

**Acting as competent authority referred to in the EU Central Securities Depositories Regulation**

The Financial Supervisory Authority shall act as the competent authority referred to in the first subparagraph of Article 11(1) of the EU Central Securities Depositories Regulation and as the authority coordinating cooperation as referred to in the second subparagraph of Article 11(1) of the Regulation.

**Section 50n (14.12.2017/893)**

**Function as such competent authority as referred to in the Payment Services Directive**

The Financial Supervisory Authority shall act as such competent authority as referred to in Article 22 of the Directive (EU) 2015/2366 of the European Parliament and of the Council on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC, hereinafter referred to as *Payment Services Directive*.

Where the Financial Supervisory Authority receives a report of a major operational or security incident, as referred to in Article 96 of the Payment Services Directive, from the European Banking Authority or the European Central Bank, the Financial Supervisory Authority shall take the necessary measures to protect the immediate security of the financial system.

**Section 50o (28.12.2017/1071)**

**Function as such competent authority as referred to in the Markets in Financial Instruments Directive and the EU Markets in Financial Instruments Regulation**

The Financial Supervisory Authority shall act as the competent authority referred to in Article 67 of the Markets in Financial Instruments Directive and in the Markets in Financial Instruments Regulation. The Ministry of Finance shall act as the competent authority referred to in Article 44 of the Markets in Financial Instruments Directive.

The Financial Supervisory Authority shall act as the contact point referred to in Article 79(1)(5) of the Markets in Financial Instruments Directive. The Financial Supervisory Authority shall make the notifications as referred to in said Directive to the European Securities and Markets Authority, the European Commission and foreign EEA supervisory authorities, unless otherwise provided elsewhere in law

#### **Section 50p (4.5.2018/291)**

##### **Function as such competent authority as referred to in the Network and Information Systems Directive**

The Financial Supervisory Authority shall act as such competent authority as referred to in Article 8(1) of the Directive (EU) 2016/1148 of the European Parliament and of the Council concerning measures for a high common level of security of network and information systems across the Union, hereinafter referred to as *Network and Information Systems Directive*, as regards sectors 3 and 4 of Annex II.

#### **Section 50q (19.12.2018/1229)**

##### **Function as such competent authority as referred to in the Prospectus Regulation**

The Financial Supervisory Authority shall act as such competent authority as referred to in Article 31 of the Prospectus Regulation.

#### **Section 50r (14.12.2018/1108)**

##### **Function as such competent authority as referred to in the Securitisation Regulation**

The Financial Supervisory Authority shall act as such competent authority as referred to in Article 29(5) of the Securitisation Regulation.

**Section 50s (22.2.2019/215)****Function as such competent authority as referred to in the Regulation on Reporting and Transparency of Securities Financing Transactions**

The Financial Supervisory Authority shall act as the competent authority referred to in Article 16 of the Regulation on Reporting and Transparency of Securities Financing Transactions.

**Section 50t (7.5.2021/379)****Acting as competent authority referred to in the Disclosures Regulation and the Taxonomy Regulation**

The Financial Supervisory Authority shall act as the competent authority referred to in Article 14(1) of the Disclosures Regulation.

The Financial Supervisory Authority shall act as the competent authority referred to in Article 21(1) of the Taxonomy Regulation.

**Section 50u (19.11.2021/941)****Function as such competent authority as referred to in the Crowdfunding Regulation**

The Financial Supervisory Authority shall act as such competent authority as referred to in Article 29(1) of Crowdfunding Regulation, and as such single point of contact for cross-border administrative cooperation between competent authorities as well as with ESMA.

**Section 50v (1.4.2022/214)****Function as such competent authority as referred to in the PEPP Regulation**

The Financial Supervisory Authority shall act as the competent authority as referred to in Article 61 of the PEPP Regulation.

**Section 50w (23.3.2023/368)**

**Function as such competent authority as referred to in the Pilot Regime for Market Infrastructures Based on Distributed Ledger Technology Regulation**

The Financial Supervisory Authority shall act as the competent authority as referred to in Article 2(21) of the Regulation (EU) 2022/858 of the European Parliament and of the Council on a pilot regime for market infrastructure based on distributed ledger technology, and amending Regulations (EU) No 600/2014 and (EU) No 909/2014 and Directive 2014/65/EU.

*Section 51 was repealed by Act 29.6.2016/520.*

**Section 52 (8.8.2014/611)****Exchange of information**

The Financial Supervisory Authority shall submit to the foreign EEA supervisory authorities all information in its possession that is essential for supervision and that may facilitate supervision by the authorities. The extent of the information provided shall at least meet the requirements of the European Union legal acts applicable to the relevant supervised entity. Any information having an essential impact on the authorisation criteria of insurance companies shall be provided to an equivalent extent. Section 65 further lays down provisions on the exchange of information in group-wide supervision.

Where the Financial Supervisory Authority has justifiable cause to suspect that an entity that does not fall under its supervision engages or has engaged in activities contrary to European Union financial market legislation in the territory of another EEA member state, it shall notify the competent authority of the relevant EEA member thereof in such cases as referred to in the European Union financial market legislation.

**Section 52a (23.11.2018/959)****Cooperation and exchange of information in the discharge of duties under the Network and Information Systems Directive**

The Financial Supervisory Authority shall cooperate with the Finnish Transport and Communications Agency in the discharge of the duties under the Network and Information

Systems Directive. For this purpose, the Financial Supervisory Authority shall have the right to disclose information to the Finnish Transport and Communications Agency, confidentiality obligations notwithstanding.

## **Section 53**

### **Refusal of supervisory cooperation**

The Financial Supervisory Authority may refuse to cooperate with a foreign EEA supervisory authority only if:

- 1) the cooperation would jeopardise Finland's right of self-determination, national security or public order;
- 2) the request for cooperation concerns a person and a case for which legal proceedings or an administrative process is pending in Finland; 50 (28.12.2017/1071)
- 3) a legally binding decision has been issued in Finland concerning the person and act that are the subject of the request for cooperation; or
- 4) compliance with the request would be likely to have a detrimental effect on its investigation, on enforcement monitoring or criminal investigation. (1.4.2022/205)

The Financial Supervisory Authority shall inform the requesting authorities and, in the circumstances, foreseen in the European Union financial market statutes, also the relevant European Supervisory Authority of its refusal and the grounds for such refusal. (29.6.2021/599)

## **Section 54 (14.12.2012/752)**

### **Supervision of third country supervised entities and cooperation with third country supervisory authorities (12.4.2013/254)**

The Financial Supervisory Authority shall engage in appropriate cooperation with the supervisory authorities of third countries where:

- 1) an undertaking supervised by such authorities has established or plans to establish a branch in Finland, or a credit institution supervised by such authorities has established or plans to establish a representative office in Finland;
- 2) an entity supervised by it has established or plans to establish a branch in such a country;

- 3) securities issued by a Finnish undertaking have been admitted to trading equivalent to trading on a regulated market or MTF;
- 4) securities issued by an undertaking supervised by said authority have been admitted to trading on a regulated market or MTF in Finland; (12.4.2013/254)
- 5) it is necessary to adopt such cooperation arrangements as are necessary for the effective application of Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 and for the efficient exchange of information; (18.6.2021/524)
- 6) it is necessary to adopt such cooperation arrangements as are necessary for the effective application of the Directive (EU) 2019/2034 of the European Parliament and of the Council on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU and allowing for the efficient exchange of information. (18.6.2021/524)

The provisions of sections 18 and 24 shall apply to the right of the Financial Supervisory Authority to obtain and inspect information from the Finnish representative office of a third country credit institution.

Cooperation with the Swiss Federal Office of Private Insurance (FOPI) is governed by the Insurance Companies Act and the Act on Foreign Insurance Companies.

## **Cooperation with host supervisory authorities**

### **Section 55 (19.11.2021/954)**

#### **Notification requirement concerning the establishment of branches and any other provision of services in other EEA member states**

Provisions on the obligation of the Financial Supervisory Authority to notify the host supervisory authorities of the establishment of a branch of supervised entity in the host member state and of the provision of services in the host member state without establishing a branch are laid down in the Credit Institutions Act, the Payment Institutions Act, the Investment Services Act, the Act on

Common Funds, the Act on Alternative Investment Fund Managers and the Insurance Companies Act. Supplementary pension provision in other EEA member states is governed by the Act on Supplementary Pension Funds and the Act on Foreign Insurance Companies and in the Act on Insurance Distribution in other EEA Member States. Provisions on the obligation of the Financial Supervisory Authority to notify the supervisory authority of another EEA member state of the operation of a stock exchange in such EEA member states are laid down in the Act on Trading in Financial Instruments.

### **Section 56 (30.4.2010/301)**

#### **Inspection of branches established by Finnish supervised entities in other EEA member states**

The provisions of section 24 shall apply to the right of the Financial Supervisory Authority to inspect the business of branches established by credit institutions, payment institutions, investment firms, fund management companies and insurance companies in other EEA member states. Before the inspection, the Financial Supervisory Authority shall notify the host supervisory authority thereof.

### **Section 57**

#### **Monitoring compliance with the legislation of other EEA member states**

Where the supervisory authority of another EEA member state has informed the Financial Supervisory Authority of the failure of a supervised entity or other financial market participant to comply with the legislation of the relevant member state in the provision of services in said member state, the Financial Supervisory Authority shall take the necessary measures as referred to in chapters 3 and 4 to ensure that practices in violation of the provisions are brought to an end. The Financial Supervisory Authority shall inform the supervisory authority of the relevant member state of the measures taken.

### **Section 58**

**Cooperation concerning withdrawal of authorisation and restriction of business activity, portfolio transfer, instigation of bankruptcy or winding-up proceedings and order of prohibition against pledging and transferring assets**

The Financial Supervisory Authority shall, without undue delay, notify the host supervisory authority of a decision on the instigation of bankruptcy or winding-up proceedings against a credit institution, payment institution, investment firm, fund management company or insurance company established or providing services in another EEA member state, including the effects of such bankruptcy or winding up, and of a decision on withdrawal of authorisation or restriction of business activity, and of an order of prohibition against pledging or transferring assets.

(30.4.2010/301)

The Financial Supervisory Authority shall cooperate to the extent necessary with host supervisory authorities and with other authorities and administrators of the host member state.

The Financial Supervisory Authority shall, without undue delay, communicate a decision on the instigation of bankruptcy proceedings against a foreign credit institution, investment firm, fund management company or insurance company domiciled in a non-EEA country, including the effects of such bankruptcy, and of a decision on the withdrawal of the authorisation of the Finnish branch of said undertaking, to the supervisory authorities of such other EEA member states in which said undertaking has established a branch or provides services.

The notification on an insurance company referred to above in this section shall be submitted to the authorities responsible for insurance supervision in all EEA member states.

Provisions on cooperation with host supervisory authorities in portfolio transfers and orders of prohibition against pledging and transferring the assets of an insurance company are set out in the Insurance Companies Act.

**Supervision of foreign EEA branches and other foreign supervised entities and cooperation with home supervisory authorities (12.4.2013/254)**

**Section 59 (26.3.2021/235)****Provision of information to home supervisory authorities on the business conditions to be met by foreign EEA branches and other foreign EEA supervised entities operating in Finland**

The Financial Supervisory Authority shall inform a foreign EEA branch and the authorities responsible for its supervision, or in the case of an authorised insurance company located in a EEA member state other than Finland, the authority responsible for its supervision, of the requirements concerning the business of branches and the conduct of supervision, as well as the conditions in the interest of the public good to be met by foreign EEA supervised entities operating in Finland, within two months of receipt of a notification from the branch or foreign EEA supervisory authority stating that a foreign EEA branch will take up business in Finland or that significant changes will be made in such business. The provisions of this section shall not apply to foreign investment firms, foreign payment institutions or foreign fund management companies establishing branches in Finland. Provisions on the introduction of supplementary pension schemes in Finland are set out in the Act on Foreign Insurance Companies.

**Section 59a (30.12.2010/1360)****Affording significant status to a branch of a foreign EEA credit institution**

The Financial Supervisory Authority may request that a foreign EEA supervisory authority responsible for the consolidated supervision of a foreign EEA credit institution or, where the credit institution is not subject to consolidated supervision, the home supervisory authority of a foreign EEA credit institution, afford significant status to the Finnish branch of the credit institution. The request shall be supported by sufficient grounds, including at least:

- 1) whether the market share of the branch exceeds 2% of Finnish deposits;
- 2) how the suspension or closure of the business of the credit institution is likely to affect liquidity conditions and payment and settlement systems in Finland;
- 3) the size and significance of the branch in the Finnish banking and financial system, as measured by customer volume.

The Financial Supervisory Authority shall undertake to arrive at a joint decision with a foreign EEA supervisory authority responsible for the consolidated supervision of a foreign EEA credit institution or, where the credit institution is not subject to consolidated supervision, the home supervisory authority of a foreign EEA credit institution, on affording significant status to the Finnish branch of the credit institution.

If a joint decision is not reached within two months of receipt of the Financial Supervision Authority's request by the foreign EEA supervisory authority referred to in subsection 1, the Financial Supervisory Authority shall take a decision on affording the branch significant status within two months of the deadline referred to above in this subsection. In taking the decision, the Financial Supervisory Authority shall also take account of the considerations presented by the foreign EEA supervisory authorities referred to in subsection 2. The decision of the Financial Supervisory Authority shall be communicated to the foreign EEA supervisory authorities referred to in subsection 2.

If a foreign EEA supervisory authority as referred to in subsection 1 has referred a matter concerning a joint decision for review to the European Banking Authority within two months of receipt of the Financial Supervisory Authority's request referred to in subsection 1, the Financial Supervisory Authority shall await the decision of the European Banking Authority and act in accordance with it. *(9.12.2011/1242)*

## **Section 60 (8.8.2014/611)**

### **Inspection of foreign EEA branches and access to information from foreign EEA branches and other foreign supervised entities**

The home supervisory authority may, within its competence, undertake an inspection, either itself or through a representative, of the business of a foreign EEA branch to such extent as is necessary for the supervision of a foreign EEA supervised entity, provided that it has informed the Financial Supervisory Authority thereof in advance. The Financial Supervisory Authority has the right to participate in such an inspection.

The Financial Supervisory Authority may, upon request of the home supervisory authority, undertake an inspection of the business of a foreign EEA branch. The Financial Supervisory

Authority's right to inspect and obtain information shall be governed by the provisions of chapter 3 on the right of the Financial Supervisory Authority to inspect and obtain information from supervised entities, section 34 on the right to employ outside expert advisers, and section 33a on the right to impose a fine to enforce the right to inspect and obtain information.

The Financial Supervisory Authority may obtain any information from a foreign EEA branch as is necessary for supervision and may undertake an inspection of the business of a foreign EEA branch, upon request of the home supervisory authority, or on its own initiative after submitting advance notification thereof to the home supervisory authority, if this is justifiable in terms of financial stability or performance of the Financial Supervisory Authority's duties laid down elsewhere in law. The Financial Supervisory Authority's right to inspect and obtain information shall be governed by the provisions of chapter 3 on the right of the Financial Supervisory Authority to inspect and obtain information from supervised entities, section 34 on the right to employ outside expert advisers, and section 33a on the right to impose a fine to enforce the right to inspect and obtain information. The above provisions of this subsection on EEA branches shall apply equally to the permanent Finnish offices of foreign EEA supplementary pension institutions.

The Financial Supervisory Authority shall have the right to obtain any information necessary for the performance of the duties provided for in this Act and elsewhere in law from foreign EEA supplementary pension institutions and foreign supervised entities providing services in Finland without establishing a branch.

The Financial Supervisory Authority may issue regulations applying to foreign EEA branches and foreign EEA supplementary pension institutions, as referred to in subsection 3, regarding the regular reporting of such information to the Financial Supervisory Authority as is necessary for the performance of the duties referred to in section 3, subsection 3, paragraphs 3 and 5. The Financial Supervisory Authority may further issue regulations on regular reporting to the Financial Supervisory Authority of other information as referred to in section 18, subsection 2, if this is necessary for the performance of the duties assigned to the Financial Supervisory Authority under an agreement as referred to in section 67.

The Financial Supervisory Authority shall notify the home supervisory authority of the information obtained by virtue of this section in so far as such information is significant for the Supervisory

Review and Evaluation of the credit institution as a whole or for the stability of Finnish financial markets.

### **Section 61 (14.12.2012/752)**

#### **Notification of measures directed at foreign EEA branches and other foreign EEA supervised entities and regulated markets supervised by other EEA member states, and restriction and prohibition of the business activities of foreign EEA branches and other foreign EEA supervised entities (8.8.2014/611)**

Where the Financial Supervisory Authority has justifiable cause to suspect that a foreign EEA branch fails to comply with the conditions in the interest of the public good referred to in section 59 or its obligations under Finnish financial market legislation, or any provisions or regulations issued thereunder, or any branch-specific business rules, the Financial Supervisory Authority may request the branch to redress the matter within a prescribed period of time. (8.8.2014/611)

In the event of failure to comply with the request referred to in subsection 1, the Financial Supervisory Authority shall inform the home supervisory authority.

Where the measures taken by the home supervisory authority prove insufficient, and the branch is continuing to be in violation of the provisions or regulations referred to in subsection 1, the Financial Supervisory Authority shall, after having so informed the home supervisory authority, issue the branch with a prohibition of execution or demand for correction as referred to in section 33, an administrative fine as referred to in section 38, a public warning as referred to in section 39 or a penalty payment as referred to in section 40 , or impose a conditional fine as referred to in section 33a to prohibit the branch from continuing to be in violation of the provisions or regulations, or prohibit the branch from continuing the conduct of business in whole or in part. (7.3.2014/170)

The provisions of subsection 3 notwithstanding, the Financial Supervisory Authority may immediately take such measures as referred to in subsection 3 where:

1) the branch fails to comply with the financial market provisions applicable to it or any regulations issued thereunder, or any branch-specific business rules, and such measures are necessary for safeguarding the public good; or

2) the branch fails to comply with such provisions applicable to it or regulations issued thereunder, or any branch-specific business rules the supervision of which is entrusted to the Financial Supervisory Authority under another act.

The Financial Supervisory Authority shall inform the foreign EEA supervisory authority, and in the cases referred to in the European Union statutes governing financial markets, the European Commission and the competent European Supervisory Authority, of the measures taken to bring an end to the practices in violation of the provisions, regulations, rules or conditions referred to in subsection 1. (29.6.2021/599)

The above provisions of this section shall also apply to foreign EEA supplementary pension institutions and to foreign supervised entities providing services in Finland without establishing a branch.

The provisions of this section on foreign supervised entities shall also apply to a market operator equivalent to a stock exchange, as referred to in chapter 3, section 1 of the Act on Trading in Financial Instruments operating in Finland and supervised by the authority of another EEA member state and to a multilateral or organised trading facility maintained by the regulated market. (28.12.2017/1071)

### **Section 61a (29.6.2016/520)**

#### **Restriction of management activities**

The Financial Supervisory Authority can prohibit a person permanently from performing senior management tasks in a foreign EEA branch providing investment services if the person has repeatedly violated the provisions of Article 14 or 15 of the Market Abuse Regulation.

#### **Cooperation concerning group supervision**

### **Section 62 (8.8.2014/611)**

#### **Exchange of information related to the granting and withdrawal of authorisation and to owner control**

Provisions on the obligation of the Financial Supervisory Authority to inform the foreign EEA supervisory authorities responsible for the supervision of a supervised entity's parent company, and subsidiaries of the parent company, of an application for authorisation submitted by, and authorisation granted to, the supervised entity, and on cooperation with foreign EEA supervisory authorities in the control of the owners of the supervised entity are laid down in the Credit Institutions Act, the Investment Services Act, the Act on Common Funds, the Act on Alternative Investment Fund Managers and the Insurance Companies Act.

Where the Financial Supervisory Authority is responsible for the group-wide supervision of a supervised entity, the Financial Supervisory Authority shall forthwith, after having been notified by the foreign authority that authorisation has been granted to a foreign supervised entity subject to group-wide supervision or that an application for such authorisation has been submitted, report to the authority responsible for granting the authorisation and to the competent EU supervisory authority information on:

- 1) the structure of the group;
- 2) such owners of the parent company who have at least a major or significant holding in the supervised entity as referred to in chapter 3, section 1 of the Credit Institutions Act, chapter 1, section 26, paragraph 14 of the Investment Services Act, section 11 of the Act on the Supervision of Insurance and Financial Conglomerates, section 21a of the Payment Institutions Act, section 16 of the Act on Common Funds, chapter 7, section 9 or chapter 14 section 9 of the Act on Alternative Investment Fund Managers, or chapter 4, section 5 of the Insurance Companies Act; and (28.12.2017/1071)
- 3) the group-wide administration, internal control and risk management.

## **Section 63**

### **Right to obtain and inspect information on Finnish member companies of foreign EEA conglomerates**

The Financial Supervisory Authority may, upon the request of a foreign EEA supervisory authority, conduct an inspection of a Finnish member company of a foreign EEA conglomerate. The provisions of sections 18 and 24 shall apply to the right of the Financial Supervisory Authority to

obtain and inspect information. The Financial Supervisory Authority may grant the requesting supervisory authority permission to participate in the inspection.

## **Section 64**

### **Right to obtain and inspect information on foreign member companies of conglomerates**

Where the Financial Supervisory Authority intends to conduct an inspection of a company situated in another EEA member state and member of a conglomerate the group supervision of which falls within its responsibility, it shall ask the supervisory authority of the relevant member state to conduct the inspection, if the member company is situated in another EEA member state. The Financial Supervisory Authority shall have the right to conduct the inspection itself or participate in the inspection if consent has been given by the authority addressed.

## **Section 65**

### **Disclosure obligation of the Financial Supervisory Authority concerning the supervision of conglomerates (8.8.2014/611)**

Upon the request of a foreign EEA supervisory authority responsible for supervision of a foreign EEA conglomerate, the Financial Supervisory Authority shall submit to it all information in its possession necessary for the performance of group supervision.

In addition, if not otherwise agreed between the authorities responsible for the supervision of the member companies of a conglomerate, the Financial Supervisory Authority shall volunteer to the foreign EEA supervisory authority referred to in subsection 1 any information in its possession that is essential for group supervision, or if the Financial Supervisory Authority is responsible for group supervision, to the foreign EEA supervisory authorities responsible for supervision of the member companies of the conglomerate.

In addition to the provisions on disclosure requirements set out elsewhere in law, the Financial Supervisory Authority shall, without undue delay, disclose to the supervisory authorities referred to in subsections 1 and 2, and to any other authorities responsible for the smooth functioning of

financial markets in their home member state, any information in its possession on matters that may jeopardise financial stability or cause major disruption of financial market operations in said member states.

*Subsection 4 was repealed by the Act of 8.8.2014/611.*

## **Section 65a (8.8.2014/611)**

### **Other cooperation in the supervision of conglomerates**

The Financial Supervisory Authority supervises compliance with the provisions on group-wide supervision in cooperation with the supervisory authorities responsible for supervision of the foreign supervised entities of the same conglomerate.

Unless the urgency of the matter warrants otherwise, the Financial Supervisory Authority shall, before taking a decision that may have a significant impact on a foreign EEA supervised entity, consult the supervisory authority of the supervised entity where the decision concerns:

- 1) a significant change in the ownership or administrative structure of the supervised entity;
- 2) a decision as referred to in section 32a prohibiting the acquisition of a significant holding;
- 3) the imposition of a significant administrative sanction on a supervised entity;
- 4) the setting of a counter-cyclical buffer requirement on a supervised entity; or
- 5) the adoption of a supervisory measure related to a supervised entity that significantly restricts its business.

In the case referred to in subsection 2, paragraph 3 above, the Financial Supervisory Authority shall always consult the supervisory authority responsible for the group-wide supervision of the supervised entity.

Where the Financial Supervisory Authority is responsible for the group-wide supervision of the supervised entity, the Financial Supervisory Authority shall also perform the following duties, in addition to those specified elsewhere in law:

- 1) coordinate the compilation and distribution of data necessary for supervision;

2) plan and coordinate the supervisory measures in cooperation with other EEA supervisory authorities participating in the supervision and, in the event of a crisis or preparation therefore, where necessary, in cooperation with the central banks of the appropriate EEA member states.

Where the Financial Supervisory Authority, for the performance of its duties, requires information on a foreign company equivalent to a supervised entity and member of a conglomerate the supervision of which is entrusted to the Financial Supervisory Authority, such request for information shall first be addressed to the authority responsible for the supervision of said company. Where the Financial Supervisory Authority requires such information on a member company of a conglomerate the supervision of which is entrusted to another supervisory authority, such request for information shall first be addressed to the authority responsible for the group-wide supervision of said conglomerate.

### **Section 65b (26.3.2021/235)**

#### **Establishment of a college of supervisors**

The Financial Supervisory Authority shall establish a college of supervisors if:

- 1) the Financial Supervisory Authority is responsible for the group-wide supervision of a supervised entity and the group includes a supervised entity authorised in another EEA member state, a supervised entity of the consolidation group has established a significant branch in another EEA member state, or the supervised entity falls within the scope of the obligation to establish a subgroup as referred to in chapter 2, section 5 of the Credit Institutions Act; or
- 2) a Finnish credit institution which is not subject to consolidated supervision has established a significant branch in another EEA member state.

Foreign EEA supervisory authorities and European Supervisory Authorities supervising the operations of the supervised entities, branches and holding companies referred to above in subsection 1 shall have the right to participate in the college of supervisors. Where necessary, the Financial Supervisory Authority may invite representatives of EEA central banks to the college of supervisors, and supervisory authorities of non-EEA member states equivalent to the Financial Supervisory Authority.

The Financial Supervisory Authority shall establish a college of supervisors also where this is necessary for the implementation of Articles 23(1)(c) and 23(2) of the EU Investment Firms Regulation on the exchange and update of appropriate information with the supervisory authorities of eligible central counterparties. Where necessary, the Financial Supervisory Authority may also establish a college of supervisors if the subsidiaries of an investment firm operating in Finland, of an investment holding company operating as a parent company in the European Union, or of an investment firm conglomerate of a mixed financial holding company operating as a parent company in the European Union are located in a third country. (18.6.2021/524)

### **Section 65c (30.12.2010/1360)**

#### **Mission and activities of the college of supervisors**

The mission of the college of supervisors is to facilitate cooperation among supervisory authorities in the supervision of relevant supervised entities and branches. The Financial Supervisory Authority shall confirm the written operating policies on supervisory cooperation for the college of supervisors. Before confirming such operating policies, the Financial Supervisory Authority shall consult with the foreign EEA supervisory authorities participating in the college of supervisors. (20.3.2015/311)

The operating policies referred to in subsection 1 above shall cover at least the following issues:

- 1) exchange of information;
- 2) possible agreement on voluntary allocation of duties and responsibilities;
- 3) supervisory plan and other procedures for conducting a supervisory review and evaluation as referred to in chapter 11, section 2 of the Credit Institutions Act and section 31, paragraph 2 of the Act on the Supervision of Financial and Insurance Conglomerates;
- 4) removal of unnecessary overlapping requirements to ensure more efficient supervision;
- 5) preparation for crisis and operation in a crisis situation;
- 6) the principles under which the Financial Supervisory Authority may restrict the right of a foreign supervisory authority to participate in the review of an individual case by the college of supervisors;
- 7) consistent enforcement of capital requirements in the application of section 65b, subsection 1, paragraph 1; and

8) procedures for making decisions referred to in chapter 26, sections 6, 28, 30 and 32, and for implementing the obligation to notify referred to in chapter 26, section 11, subsection 4. of the Insurance Companies Act; (18.6.2021/524)

9) coordination of information requests where the competent authorities of several investment firms of the same group must request such information either from the home country competent authority of a clearing participant or the competent authority or an eligible central counterparty as relate to the collateral models and parameters used in the calculation of the investment firm's collateral requirement. (18.6.2021/524)

Meetings of the college of supervisors shall be convened by the Financial Supervisory Authority, which shall also chair the meetings. The Financial Supervisory Authority shall inform the European Supervisory Authorities of the activities of the college of supervisors. (13.12.2013/985)

The Financial Supervisory Authority shall notify the foreign supervisory authorities within the college of supervisors in advance of the issues to be reviewed at college meetings and duly inform those supervisory authorities within the college not present at a decision-making meeting of the decisions.

*Sections 65d and 65e were repealed by the Act of 26.3.2021/235.*

## **Supervision agreements**

### **Section 66 (8.8.2014/611)**

#### **Memoranda of Understanding (MoUs)**

The Financial Supervisory Authority shall contribute to ensuring that the principles and practices of the supervisory cooperation referred to above in this chapter shall be confirmed by a written Memorandum of Understanding (MoU) signed by all the supervisory authorities participating in supervision or group-wide supervision.

### **Section 67**

#### **Assignment of inspection duties**

The Financial Supervisory Authority may enter into an agreement with the home supervisory authority providing for the performance by the Financial Supervisory Authority of such inspection duties in respect of a foreign EEA supervised entity as are the responsibility of the home supervisory authority. The Financial Supervisory Authority may also enter into an agreement with the host supervisory authority providing for the performance by the host supervisory authority of inspection duties in respect of a supervised entity as are the responsibility of the Financial Supervisory Authority. (12.4.2013/254)

The Financial Supervisory Authority may enter into an agreement with a foreign EEA supervisory authority responsible for the group supervision of a foreign conglomerate, providing for the exercise by the Financial Supervisory Authority of duties related to group supervision which are the responsibility of the other EEA supervisory authority, or providing for the exercise by the foreign EEA supervisory authority of inspection duties related to group supervision which are the responsibility of the Financial Supervisory Authority.

Compensation may be charged for acceptance of duties as referred to in this section. Compensation shall be charged for acceptance of duties other than those based on cooperation commitments under European Union legislation, unless the board of the Financial Supervisory Authority decides otherwise for a specific reason. Compensation may be payable for assignment of duties, as referred to in this section, to European Supervisory Authorities or foreign EEA supervisory authorities, provided that the assigned duties do not fall within the cooperation commitments of the European Supervisory Authorities or foreign EEA supervisory authorities, as referred to above. (19.12.2014/1198)

The provisions of sections 18, 19 and 23–25 governing the right of the Financial Supervisory Authority to obtain and inspect information, section 34 governing the right to employ external expert advisers and section 33a governing the conditional imposition of a fine to enforce the right to obtain and inspect information shall apply to the Financial Supervisory Authority in the discharge of inspection duties provided for under a supervision agreement as referred to in this section or based on consent given by the home supervisory authority in any other demonstrable form. (18.6.2021/524)

The Financial Supervisory Authority may assign decision-making power in respect of supervised entities to a foreign EEA supervisory authority as separately provided in the Credit Institutions Act, the Insurance Companies Act, the Investment Services Act and the Act on the Supervision of Financial and Insurance Conglomerates. (20.3.2015/311)

The Financial Supervisory Authority may only assign such decision making powers and such inspection duties as are necessary for the efficient supervision of supervised entities or conglomerates with cross-border activities. (4.3.2011/194)

The provisions on restriction of the assignment of decision-making power and inspection duties of subsection 6 shall apply equally to the assignment of decision-making power to the European Supervisory Authorities in such cases as referred to in the European Financial Supervision Regulations. (19.12.2014/1198)

The Financial Supervisory Authority shall notify the European Commission and the relevant European Supervisory Authority of the agreement referred to in this section, in keeping with the European Union financial market provisions. (9.12.2011/1242)

## **Chapter 7**

### **Coverage of the costs of the Financial Supervisory Authority**

#### **Section 68**

##### **Processing fees and supervision fees**

To meet the costs arising from the activities of the Financial Supervisory Authority, processing fees and supervision fees shall be collected. Provisions on the right of the Financial Supervisory Authority to charge compensation for the performance of the supervisory duties referred to in section 67 are set out in subsection 3 of said section.

The provisions of the Act on the Charge Criteria of the State (150/1992) shall apply to the processing fees payable for the issue of authorizations and provision of other services by the

Financial Supervisory Authority. The Financial Supervisory Authority shall issue further regulations on the fees payable for the services and on the amount of such fees.

The Financial Supervisory Authority may collect a processing fee as referred to in the Act on the Charge Criteria of the State from a foreign EEA supervisory authority as referred to in sections 60 and 63 if the Financial Supervisory Authority, upon such authority's request, performs supervisory or inspection measures in respect of a branch or company as referred to in said sections. The Financial Supervisory Authority may also collect the processing fee referred to above directly from the branch if the fee cannot be collected from the foreign supervisory authority.

Separate provisions have been enacted on the supervision fees of the Financial Supervisory Authority.

## **Section 69**

### **Liability for damages**

The Bank of Finland shall be liable for any damages arising from an error or omission of the Financial Supervisory Authority as provided in the Tort Liability Act.

The Bank of Finland shall, without undue delay, be refunded by the government for any damages paid by virtue of subsection 1, to the extent the damages exceed the amount to be made available by the Bank of Finland to meet government needs by virtue of section 21, subsection 2 of the Act on the Bank of Finland.

## **Section 70**

### **Plan for covering a financial deficit**

If the amount of supervision fees and processing fees collected, together with any other income of the Financial Supervisory Authority, is in some year lower than 95% of the costs of the Financial Supervisory Authority (*deficit*), the Financial Supervisory Authority shall draft a plan of measures for recovering the deficit, in connection with the preparation of the annual budget for the following year.

## **Chapter 8**

### **Miscellaneous provisions**

#### **Section 71**

##### **Right and obligation of disclosure**

In addition to the provisions of the Act on the Openness of Government Activities (621/1999), the Financial Supervisory Authority shall, confidentiality obligations notwithstanding, have the right to disclose information to:

- 1) the Ministry of Social Affairs and Health, the Ministry of Finance, the Finnish Resolution Authority and any other authorities supervising financial markets or responsible for the smooth functioning of financial markets, for the performance of their duties; (19.12.2014/1198)
- 2) the prosecuting and pre-trial investigation authorities of Finland or other EEA member states for the prevention and investigation of offences and for the imposition of business prohibitions under the Act on Business Prohibitions (1059/1985); (29.6.2016/520)
- 3) the financial supervisory authority of another EEA member state, the crisis resolution authority of another EEA member state, another authority responsible for the smooth functioning of financial markets in another EEA member state and the European Supervisory Authorities, the Joint Committee of the European Supervisory Authorities and the European Systemic Risk Board; (19.12.2014/1198)
- 4) the accounting board in connection with the consultation proceedings referred to in chapter 8, section 2, subsection 3 of the Accounting Act to the extent necessary for fulfilment of the supervisory duties provided in section 37 of this Act;
- 5) the property appraisal board of the Central Chamber of Commerce, as referred to in sections 18a–18e of the Real Estate Funds Act; (14.12.2012/752)
- 6) a Finnish authority or an authority of another EEA member state whose duties include participation in winding-up or bankruptcy proceedings or any similar proceedings against an authorised supervised entity or equivalent foreign supervised entity;
- 7) a Finnish authority or an authority of another EEA member state responsible for overseeing the bodies involved in winding-up or bankruptcy proceedings or any similar proceedings against an authorised supervised entity or equivalent foreign supervised entity;

- 8) a Finnish authority or an authority of another EEA member state responsible for overseeing persons conducting statutory audits of the accounts of a supervised entity or other financial market participant;
- 9) the independent actuaries of EEA member states who exercise judicial review of insurance companies, and the bodies responsible for overseeing such actuaries;
- 10) the authorities and bodies of EEA member states legally responsible for monitoring compliance with company law and for investigating offences;
- 11) the ECB, the Bank of Finland or the national central bank of another EEA member state, or another body exercising similar duties in the capacity of monetary policy authority, or any other authority responsible for payment systems oversight; (8.8.2014/611);
- 11a) the Energy Authority for the performance of its duties; (28.12.2017/1071)
- 11b) the Finnish Competition and Consumer Authority for performance of its supervisory duties in the field of competition in respect of transactions related to the delivery and derivative contracts on electricity and natural gas, information on which shall be preserved by the supplier of electricity or natural gas; (8.8.2014/651)
- 11c) the Cooperation Agency of the regulatory authorities in the field of energy and the authority of another EEA member state responsible for supervision of the markets for electricity and natural gas; (8.8.2014/651)
- 11d) a Finnish authority or an authority of an EEA member state that, under a regulation issued by virtue of Article 215 of the Treaty on the Functioning of the European Union, the Act on the Enforcement of Certain Obligations of Finland as a Member of the United Nations and of the European Union (659/1967) or the Act on the Freezing of Funds with a View to Combating Terrorism (325/2013), has the task of freezing assets of a natural person or a legal person, to the extent that this is necessary for completing the freezing-related tasks; (24.4.2015/505)
- 11e) the Finnish or other EEA authorities or other public bodies responsible for the supervision, administration and regulation of physical agricultural markets by virtue of Regulation (EU) No 1308/2013 of the European Parliament and of the Council establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 992/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007, for the performance of their duties; (28.12.2017/1071)
- 11f) the Ministry of Economic Affairs and Employment for the performance of the duties stipulated in chapter 7 of the Nuclear Energy Act; (26.3.2021/270)

- 12) the authorities or bodies of a non-EEA member state, as referred to above in this subsection; (8.8.2014/611)
- 13) a deposit guarantee fund as referred to in the Credit Institutions Act and an investor compensation fund as referred to in the Investment Services Act, for the performance of their duties. (8.8.2014/611)
- 14) the occupational safety and health authorities for the performance of their duties and for compliance with the cooperation obligations laid down in Article 8 of Commission implementing directive (EU) 2015/2392 on Regulation (EU) No 596/2014 of the European Parliament and of the Council as regards reporting to competent authorities of actual or potential infringements of that Regulation, hereinafter referred to as the *Market Abuse Regulation Implementing Directive*; (28.6.2017/446)
- 15) the authorities referred to in chapter 7, section 1, subsection 1, and the bar association referred to in subsection 2, of the Act on Preventing Money Laundering and Terrorist Financing, and equivalent authorities or institutions of other EEA countries concerning matters that are essential for the prevention and detection of money laundering and terrorist financing, and to the Financial Intelligence Unit for the performance of its duties; (26.4.2019/574)
- 16) the Tax Administration such information identified in the enforcement of the Act on Preventing Money Laundering and Terrorist Financing as is relevant for supervision by the Tax Administration of compliance with obligations prescribed in sections 17a–17d of the Tax Assessment Procedure Act (1558/1995); (1.6.2018/402)
- 17) the Financial Stability Authority such information identified in the enforcement of the Act on Preventing Money Laundering and Terrorist Financing as is relevant for the Financial Stability Authority in fulfilling its obligations related to the payment of compensations out of the Deposit Guarantee Fund, as stipulated in chapter 5 of the Act on the Financial Stability Authority; (9.7.2020/569)
- 18) the Consumer Ombudsman for the exercise of its supervisory duties; (18.6.2021/524)
- 19) the European Commission such information on the supervision of financial markets as is necessary for the Commission's exercise of its regulatory mandate. (18.6.2021/524)

The Financial Supervisory Authority shall have the right to disclose only information that is necessary for the discharge of duties by each of the authorities referred to in subsection 1 and, where information is disclosed to a foreign authority, on condition that the foreign authority is

subject to the same confidentiality obligations as the Financial Supervisory Authority in respect of such information.

The Financial Supervisory Authority shall, confidentiality obligations notwithstanding, have the right to disclose information on supervised entities, foreign supervised entities and other financial market participants to the auditors of the supervised entity, foreign supervised entity or other financial market participant.

The Financial Supervisory Authority shall have the right to so inform supervised entities and foreign EEA branches if it finds that one and the same debtor has considerable commitments or liabilities to them or if there is cause to suspect that the behaviour of a customer is detrimental to them. Furthermore, the Financial Supervisory Authority shall have the right to disclose information on supervised entities and foreign supervised entities to a stock exchange or MTF in Finland, as referred to in the Act on Trading in Financial Instruments, to a central securities depository and to a central counterparty, as referred to in the Act on Book-Entry Systems and Settlement Activities, as well as to disclose information on other financial market participants and other persons to the stock exchange, if disclosure of the said information is necessary for the maintenance of confidence in their statutory supervisory function or clearing and settlement operations.

(16.6.2017/352)

The Financial Supervisory Authority may not disclose confidential information received from the supervisory or other authorities of another state or obtained in the course of inspections conducted in another state, without the express consent of the supervisory authority having provided the information or any other relevant supervisory authority of the foreign state in which the inspection was conducted. Such information may be used solely for the discharge of the duties referred to in this Act, or for the purposes for which the consent was given.

The confidentiality provisions laid down elsewhere in law notwithstanding, the Financial Supervisory Authority shall, without undue delay, disclose to the Ministry of Finance, the Ministry of Social Affairs and Health, the Bank of Finland and the Finnish Resolution Authority any information in its possession on matters that may have effects on financial stability or other significant effects on financial market developments or cause significant disruptions to the functioning of the financial system. The provisions of this subsection shall also apply to an

equivalent authority and deposit guarantee fund of another EEA member state, in which the credit institution's group parent company, as referred to in chapter 1, section 3, subsection 1, paragraph 7 of the Crisis Resolution Act, or a subsidiary of the parent company or the branch of the credit institution or of another credit institution in the same group is located, and if an authority other than the above mentioned authority is responsible for macroprudential supervision in such other EEA member state, to such other authority of the EEA member state, if the information has a significant effect, as referred to in this subsection, in the other EEA member state and the recipient of the information is bound by similar confidentiality obligations as are laid down in this act.

(19.12.2014/1198)

The Financial Supervisory Authority shall, if conditions as referred to in subsection 2 are met:

1) disclose on request necessary information for the supervision of covered bonds to an authority as referred to in Article 18(2) of the Directive (EU) 2019/2162 of the European Parliament and of the Council on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU, in another EEA member state.

2) disclose on its own initiative information to authorities as referred to in said subsection, paragraph 1, that may have essential impact on the assessment of the issuance of covered bonds in another member state of the European Union.

(11.3.2022/153)

The provisions of this section on the authorities of another country shall correspondingly apply to organisations or institutions authorised by law in their home countries to attend to similar responsibilities as those entrusted to the Financial Supervisory Authority by virtue of this Act or any other acts.

## **Section 71a (29.12.2016/1442)**

### **Reporting breaches**

The Financial Supervisory Authority shall maintain a system for receiving reports of suspected abuse of financial market provisions. The personal data of the person making the report and the

person whom the report concerns and the information on the report shall be kept secret, unless otherwise separately provided.

The reporting procedure shall contain appropriate and sufficient measures for arranging suitable handling of reports and protection of such persons making a report and persons who are the subject of a report who are in a contract of employment, as well as instructions for protecting the identity of the person making a report and the person who is the subject of the report, unless otherwise provided by law in order to investigate a breach or concerning an authority's right to information. (29.3.2019/396)

The Financial Supervisory Authority shall keep the necessary information referred to in subsection 1 for a period of five years after the report is made. The information shall subsequently be deleted, unless retaining the information further is necessary because of a criminal investigation, initiated court proceedings, an official investigation, or in order to protect the rights of the person making a report or the person whom the report concerns. The necessity of retaining the information further shall be reviewed at the latest three years after the most recent such review. A record of the review shall be made.

A registered person who is the subject of a report as referred to in subsection 1 above shall not have a right of access as referred to in Article 15 of Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), hereinafter referred to as *General Data Protection Regulation*, to the information referred to in subsections 1 and 3, if the provision of such information could impede an investigation of suspected breaches. The provisions of Articles 13 and 14 of the said Regulation shall not apply to the Financial Supervisory Authority when maintaining the system referred to in subsection 1. (29.3.2019/396)

Further provisions on the receipt of reports concerning breaches as referred to in this section and on procedures concerning further measures, for the purpose of enforcing the Market Abuse Regulation Implementing Directive, may be given by decree of the Ministry of Finance.

The Financial Supervisory Authority shall prepare a report every two years on the performance of the system referred to in this section.

**Section 71b (1.4.2022/205)****Restriction on liability concerning provision of information to the Financial Supervisory Authority**

When a person provides the Financial Supervisory Authority with information in accordance with section 71a, he or she shall not be held liable, in respect of the provision of information, for any breach of restrictions on information reporting carried out on the basis of an agreement, act, decree or regulation.

**Section 71c (29.3.2019/396)****Restriction of the right of access to information**

In addition to the provisions of section 34 of the Data Protection Act (1050/2018), a registered person does not have the right of access referred to in Article 15 of the General Data Protection Regulation to the information collected by the Financial Supervisory Authority in the course of its supervisory and inspection duties, if provision of the information could impede the performance by the Financial Supervisory Authority of its statutory responsibilities, or the prevention or investigation of breaches of financial market provisions.

**Section 72 (20.4.2018/241)****Publication of statistics on insurance and pension institutions, insurance intermediaries and ancillary insurance intermediaries**

The provisions on document secrecy notwithstanding, the Financial Supervisory Authority may publish statistics and comparable data on the operation, standing and development of insurance and pension institutions and of insurance intermediaries and ancillary insurance intermediaries compiled according to a harmonised methodology for insurance and pension institutions or insurance intermediaries and ancillary insurance intermediaries.

**Section 73 (17.1.2020/21)****Appeal**

Decisions of the Financial Supervisory Authority may be appealed to the Helsinki Administrative Court. Provisions on lodging an appeal with an administrative court are laid down in the Administrative Judicial Procedure Act (808/2019).

Decisions of the Financial Supervisory Authority may be enforced prior to gaining legal effect. The decision shall remain in force until further notice, regardless of appeal, unless otherwise provided by the appellate authorities or elsewhere in law.

The right to appeal decisions concerning board members or deputy board members of the Financial Supervisory Authority or the employment contracts of the Authority's employees are governed by separate provisions.

#### **Section 74 (15.3.2019/296)**

##### **Recovery of fees**

Conditional fees imposed for payment under this Act and processing fees payable under this Act may, together with accrued interest, be collected without a judgment or decision in the order laid down in the Act on Recovery of Taxes and Fees by Recovery Proceedings (706/2007).

#### **Section 74a (4.3.2011/194)**

##### **Decisions of the European Supervisory Authorities**

If a European Supervisory Authority, in compliance with the procedure defined in the EU Financial Supervision Regulations, issues an individual decision to a financial market participant involving a case in which the Financial Supervisory Authority has previously issued a decision, the decision of the European Supervisory Authority shall take precedence. Provisions on filing an appeal against a decision of the European Supervisory Authorities are set out in the EU Financial Supervision Regulations.

## **Chapter 9**

### **Provisions on entry into force and transitional provisions**

## **Section 75**

### **Entry into force**

This Act will enter into force on 1 January 2009 and will repeal the Act on the Financial Supervision Authority of 27 June 2003 (587/2003) and the Act on the Insurance Supervisory Authority of 29 January 1999 (78/1999), including subsequent amendments.

## **Section 76**

### **Transitional provisions**

The Financial Supervisory Authority shall continue the activities of the Financial Supervision Authority and the Insurance Supervisory Authority. The assets, liabilities and commitments of the Insurance Supervisory Authority shall be transferred gratuitously to the Bank of Finland upon the entry into force of this Act. The Bank of Finland shall assume the transferred liabilities in the maximum amount of the transferred assets. Any other liabilities shall be assumed by the government of Finland.

Employees in the service of the Financial Supervision Authority and the Insurance Supervisory Authority at the time this Act enters into force shall transfer to the service of the Financial Supervisory Authority. The posts of the Insurance Supervisory Authority shall be abolished upon the entry into force of this Act. The terms and conditions of the contract of service with the Bank of Finland and the rights and responsibilities under the contract of employment with the Bank at transferral shall apply to transferring employees. Employees who by virtue of this Act transfer to the service of the Bank of Finland will, further, be governed by section 3, subsections 2 and 3 of the Act Implementing the State Employees Pensions Act (1296/2006) for the period of service covered by the State Employees Pensions Act (1295/2006), provided that service with the Bank of Finland continues uninterrupted until the occurrence of their pension contingency. Where an employee in 2009 or 2010 transfers from the Bank of Finland to the service of an organisation covered by the Local Government Employees Pensions Act (549/2003) or returns to service covered by the State Employees Pensions Act, this subsection shall continue to apply, provided that the service continues uninterrupted until the occurrence of pension contingency.

The terms of office of the boards of the Financial Supervision Authority and the Insurance Supervisory Authority appointed under the Acts to be repealed shall expire upon the entry into force of this Act. After entry into force of this Act, the board of the Financial Supervisory Authority shall review the business of the boards of the Financial Supervision Authority and Insurance Supervisory Authority related to the financial period immediately preceding the entry into force of the Act, to the extent review by the boards of the Financial Supervision Authority or Insurance Supervisory Authority has not been completed before this Act enters into force.

Before the entry into force of this Act, necessary measures may be taken to appoint the members and deputy members of the board referred to in section 9, to appoint the Director General referred to in section 11 and to designate a deputy to the Director General, to fill the other vacant posts of the Financial Supervisory Authority, to fulfil the disclosure obligation referred to in section 16 and to adopt the rules of procedure referred to in section 17, as well as to take decisions on these issues in the board and the Parliamentary Supervisory Council.

Cases pending with other authorities at the time this Act enters into force shall be governed by the provisions applied at the entry into force of this Act.

Any reference in another act or a statute issued by virtue of law to the Act on the Financial Supervision Authority and the Act on the Insurance Supervisory Authority to be repealed by this Act shall denote a reference to this Act. Any reference to the Financial Supervision Authority and the Insurance Supervisory Authority elsewhere in law or a statute issued by virtue of law shall denote a reference to the Financial Supervisory Authority. Any decisions and regulations issued by the Financial Supervision Authority or the Insurance Supervisory Authority before this Act entered into force shall remain in force after the entry into force of this Act as if they had been issued by the Financial Supervisory Authority.