

FINANSTILSYNET

The Financial Supervisory Authority of Norway

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Act on Securities Trading (Securities Trading Act)

(Act of 29 June 2007 No. 75. Last amended 22 June 2022)

Part 1 Purpose, scope of application and key definitions

Chapter 1 Purpose and scope

Section 1-1 *Purpose of the Act*

The purpose of this Act is to lay the basis for secure, orderly and efficient trading in financial instruments and to ensure investor protection.

Section 1-2 *Territorial scope of the Act*

Except as otherwise provided, the Act applies to activity in Norway. The King decides to what extent the Act shall be applied in Norway's economic zone and in Svalbard, Jan Mayen and the dependent territories.

Section 1-3 *Regulations*

The ministry may by regulations make further provision regarding investment firms, market operators, regulated markets, data reporting services providers and other market participants if necessary in special cases out of consideration for the secure, orderly and efficient trading in financial instruments, the protection of consumers or Norway's foreign policy interests.

Section 1-4 *(Revoked)*

Chapter 2 Definitions

Section 2-1 *Investment services and investment activities*

(1) 'Investment services and investment activities' means:

1. reception and transmission of orders relating to one or more financial instruments,
2. execution of orders on behalf of clients,

3. dealing in financial instruments on own account,
4. portfolio management,
5. investment advice,
6. underwriting of financial instruments or placing of financial instruments on a firm commitment basis,
7. placing of financial instruments without a firm commitment basis,
8. operation of a multilateral trading facility (MTF),
9. operation of an organised trading facility (OTF).

(2) The ministry may make regulations to supplement this section.

Section 2-2 *Financial instruments*

(1) 'Financial instruments' means:

1. transferable securities,
2. money market instruments,
3. units in collective investment undertakings,
4. options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates, yields or emission allowances, or other derivative instruments, financial indices or financial measures which may be settled physically or in cash,
5. options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of either party other than by reason of default or other event resulting in termination of the contract,
6. options, futures, swaps and any other derivative contracts relating to commodities that may be physically settled, provided that they are traded on a regulated market, an MTF or an OTF, except for wholesale energy products traded on an OTF that must be physically settled,
7. options, futures, swaps, forwards and any other derivative contracts relating to commodities, which have the characteristics of other financial derivatives, which may be physically settled unless otherwise mentioned in no. 6 and which are not for a commercial purpose,
8. derivatives for the transfer of credit risk,
9. financial contracts for differences,
10. options, futures, swaps, forward rate agreements and any other derivative contracts relating to climate variations, freight rates or inflation rates or other official economic statistics, which must be settled in cash or may be settled in cash at the option of either party other than by reason of default or other event resulting in termination of the contract, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this section, which have the characteristics of other financial derivatives, having regard to whether, inter alia, they are traded on a regulated market, a multilateral trading facility or an OTF,
11. emission allowances under the Greenhouse Gas Emission Trading Act.

(2) The ministry may make regulations to supplement this section.

Section 2-3 *Definitions relating to investment services and investment activities*

(1) 'Execution of orders on behalf of clients' means conclusion of agreements to buy or sell financial instruments on behalf of clients, including agreements to sell financial instruments at the time of their issuance when the issuer is the investment firm or the credit institution itself.

(2) 'Dealing in financial instruments on own account' means trading against the undertaking's proprietary capital.

(3) 'Portfolio management' means discretionary management of investors' portfolios of financial instruments on a client-by-client basis and in accordance with investors' mandates.

(4) 'Investment advice' means personal recommendation to a client, at the initiative of the client or the investment firm, in respect of one or more transactions relating to specific financial instruments.

(5) The ministry may make regulations to supplement this section.

Section 2-4 *Definitions relating to financial instruments*

(1) 'Transferable securities' means those classes of securities which are negotiable on the capital market, including:

1. shares and other securities comparable to shares, as well as depositary receipts in respect thereof,
2. bonds and other debt instruments, as well as depositary receipts in respect thereof,
3. any other securities giving the right to acquire or sell any transferable securities, or giving rise to a cash settlement determined by reference to transferable securities, currencies, interest rates or interest yields, commodities or other indices or other measures.

(2) 'Depositary receipts' means securities which are negotiable on the capital market, which represent ownership of securities issued by a foreign issuer, which are able to be admitted to trading on a regulated market and which can be traded independently.

(3) 'Money market instruments' means those classes of instruments which are normally dealt in on the money market, such as treasury bills and certificates of deposit, and excluding instruments of payment.

(4) 'Exchange-traded funds' means funds of which at least one unit or share class is traded throughout the day on at least one trading venue and with at least one market maker which takes action to ensure that the price of the units or shares of the fund on the trading venue does not vary significantly from their net asset value and, where applicable, from their indicative net asset value.

(5) 'Certificates' means financial instruments as mentioned in Article 2(1)(27) of the Markets in Financial Instruments Regulation; see section 8-1.

(6) 'Structured finance products' means financial instruments as mentioned in Article 2(1)(28) of the Markets in Financial Instruments Regulation; see section 8-1.

(7) 'Derivatives' means financial instruments as mentioned in subsection (1) no. 3 and section 2-2 subsection (1) nos. 4 to 10.

(8) 'Commodity derivatives' means financial instruments as mentioned in subsection (1) no. 3 that are linked to a commodity or underlying instrument as mentioned in section 2-2 subsection (1) no. 10, or financial instruments as mentioned in section 2-2 subsection (1) nos. 5, 6, 7 and 10.

(9) The ministry may make regulations to supplement this section.

Section 2-5 *Related party*

'Related party' of a person or entity means:

1. the spouse of such person or another person with whom the said person cohabits in a relationship akin to marriage,
2. the under age children of such person, as well as the under age children of another person as mentioned in no. 1 with whom the said person cohabits,
3. an undertaking within the same group as the said entity,
4. an undertaking over which the said person or entity or any person or entity mentioned in nos. 1, 2 or 5 exercises such influence as mentioned in the Private Limited Companies Act section 1-3 subsection (2), the Public Limited Companies Act section 1-3 subsection (2) or the General and Limited Partnerships Act section 1-2 subsection (2),
5. a party with whom the said person or entity must be assumed to be acting in concert in the exercise of rights accruing to the owner of a financial instrument, including in cases where a bid is frustrated or prevented.

Section 2-6 *Ancillary services*

(1) 'Ancillary services' means:

1. safekeeping and administration of financial instruments on behalf of clients, including management of cash and collateral, as well as other management services. This does not include activities that comprise providing and maintaining securities accounts under section A(2) of the annex to Regulation (EU) No. 909/2014,
2. granting of credit to an investor carrying out transactions in financial instruments, where the undertaking granting the credit is involved in the transaction,
3. advice to undertakings on capital structure, industrial strategy and related matters, as well as advice and services relating to mergers and the purchase of undertakings,
4. foreign exchange services where these are connected to the provision of investment services,
5. preparation and provision of investment recommendations, financial analyses or other forms of general recommendation relating to transactions in financial instruments,
6. services relating to underwriting,
7. services relating to the underlying of derivatives and commodity derivatives defined in section 2-4, subsections 7 and 8, where these services are connected to investment services or ancillary services.

(2) The ministry may make regulations to supplement this section.

Section 2-7 Definitions relating to undertakings, trading venues etc.

(1) ‘Investment firm’ means an undertaking that provides one or more investment services to third parties or performs investment activities on a professional basis.

(2) ‘Credit institution’ means an undertaking as mentioned in the Financial Institutions Act section 1-5 subsection (4).

(3) ‘Market operator’ means anyone organising or operating a regulated market and may be the regulated market itself.

(4) ‘Regulated market’ means a multilateral system that regularly facilitates the bringing together in the system of multiple third-party buying and selling interests in financial instruments admitted to trading on the market, in accordance with objective trading rules laid down by the market itself and the requirements of this Act and appurtenant regulations, in order to enable a binding trade to be concluded.

(5) ‘Multilateral trading facility’ (MTF) means a multilateral system that facilitates the bringing together in the system of multiple third-party buying and selling interests in financial instruments in accordance with objective trading rules, in order to enable a binding trade to be concluded.

(6) ‘Organised trading facility’ (OTF) means a multilateral system which is not a regulated market or MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in order to enable a binding trade to be concluded.

(7) ‘Stock exchange’ means a regulated market with authorisation pursuant to section 13-1.

(8) ‘Trading venue’ means a regulated market, an MTF or an OTF.

(9) ‘Multilateral system’ means a system in which multiple third-party buying and selling interests in financial instruments are able to interact in the system.

(10) ‘Systematic internaliser’ means an investment firm which, on an organised, frequent, systematic and substantial basis, deals on own account when executing client orders outside a trading venue without operating a multilateral system. Whether dealing is frequent and systematic shall be measured by the number of trades the investment firm carries out on own account outside a trading venue. Whether dealing is substantial shall be measured either by the size of the trading carried out by the investment firm outside a trading venue in relation to the total trading of the investment firm in each financial instrument, or by the size of the trading carried out by the investment firm outside a trading venue in relation to the total trading in the EEA in each financial instrument. An investment firm may opt to register as a systematic internaliser even if it does not meet the criteria under this provision.

(11) The ministry may make regulations to supplement this section.

Section 2-8 *Other definitions*

(1) 'Structured deposit' means a deposit whose principal amount is fully repayable at maturity and whose return may depend on:

1. an index or combination of indices not linked in its entirety to an interest rate index,
2. a financial instrument or combination of financial instruments,
3. a commodity or combination of commodities or other physical or non-physical assets, or
4. a currency or combination of currencies.

(2) 'Market maker' means a person who undertakes on a continuous basis to buy and sell financial instruments on own account at prices determined by such person himself.

(3) 'Tied agent' means a natural or legal person who, acting under the responsibility and on the account of only one investment firm, markets investment services or ancillary services, obtains assignments, receives and transmits instructions or orders in relation to investment services or financial instruments, places financial instruments or provides advice in respect of such financial instruments or services; see section 10-22.

(4) The ministry may make regulations to supplement this section, including definitions of other relevant terms in this Act or regulations pursuant to the Act.

Part 2 General provisions

Chapter 3 General rules of conduct etc.

I Market abuse, unlawful dissemination of inside information, disclosure obligations etc.

Section 3-1 *Market Abuse Regulation*

(1) The EEA Agreement Annex IX No 596/2014 (Market Abuse Regulation), as amended by Regulation (EU) 2016/1011 on benchmarks, applies as law with such modifications as follow from Annex IX, protocol I to the Agreement and the Agreement in general.

(2) Where in this Act reference is made to the Market Abuse Regulation, it shall at all times be taken to mean the Regulation as implemented or amended pursuant to subsection (1) or subsection (4).

(3) Finanstilsynet is the competent authority, see section 19-1, and has supervisory powers within its territory pursuant to the Market Abuse Regulation Article 22.

(4) The ministry may make regulations to supplement this section and may by regulations make provision regarding notifications to be sent to the competent authority in connection with delayed disclosure of inside information pursuant to the Market Abuse Regulation Article 17, paragraph 4,

third subparagraph. The ministry may also make amendments to, and prescribe exemptions from, the provisions implemented under subsection (1) to implement Norway's obligations under the EEA Agreement.

Section 3-2 Application to equity certificates

Equity certificates are deemed to be securities pursuant to Article 3, paragraph 1, point (1), of the Market Abuse Regulation. The provisions of the Market Abuse Regulation on shares apply equally to equity certificates insofar as appropriate.

Section 3-3 Persons with managerial responsibilities, notification obligation

(1) Persons who cohabit in a relationship akin to marriage shall be considered equivalent to spouses under the Market Abuse Regulation Article 3, paragraph 1, point (26).

(2) Finanstilsynet or whomever Finanstilsynet designates may prepare and make public overviews over persons as mentioned in the Market Abuse Regulation Article 3, paragraph 1, point (25), including names and type of office or position in the company.

(3) The ministry may by regulations make provision concerning the threshold to trigger the notification obligation and exemption from the notification obligation under the Market Abuse Regulation Article 19. The ministry may also make provision concerning the obligation to transmit lists drawn up pursuant to the Market Abuse Regulation Article 19(5) to Finanstilsynet or whomever Finanstilsynet designates and concerning the information to be provided about the persons so listed.

Section 3-4 Clarification of scope of application

The prohibition of insider trading and market manipulation in the Market Abuse Regulation Article 14 point (a) and (b) and Article 15 also applies to any natural person who participates for a legal person's account in a decision to carry out such acts or omissions.

II Sale of financial instruments not owned by the seller etc.

Section 3-5 Short Selling Regulation

(1) EEA Agreement Annex IX (Regulation (EU) No. 236/2012) on short selling and certain aspects of credit default swaps (the Short Selling Regulation), as amended by Regulation (EU) No. 909/2014, applies as law with such modifications as follow from Annex IX, Protocol 1 to the Agreement and the Agreement in general.

(2) Where in this Act reference is made to the Short Selling Regulation, it shall at all times be taken to mean the Regulation as implemented or amended pursuant to subsection (1) or subsection (3).

(3) The ministry may make regulations to supplement this section and may by regulations make amendments to, and prescribe exemptions from, the provisions implemented in subsection (1) to implement Norway's obligations under the EEA Agreement.

Section 3-6 Application to equity certificates

The provisions of the Short Selling Regulation concerning shares apply equally to equity certificates insofar as appropriate.

III Unreasonable business methods

Section 3-7 *Prohibition of unreasonable business methods*

- (1) No-one may employ unreasonable business methods when trading in financial instruments.
- (2) Conduct of business rules shall be observed in approaches addressed to the general public or to individuals which contain an offer or encouragement to make an offer to purchase, sell or subscribe financial instruments or which are otherwise intended to promote trade in financial instruments.
- (3) This section applies to financial instruments with a connection to Norway.
- (4) The ministry may make regulations to supplement this section.

Section 3-8 *(Revoked)*

Section 3-9 *(Revoked)*

Section 3-10 *(Revoked)*

Section 3-11 *(Revoked)*

Section 3-12 *(Revoked)*

Section 3-13 *(Revoked)*

Section 3-14 *(Revoked)*

Section 3-14(a) *(Revoked)*

Chapter 4 Notification obligation

Section 4-1 *Scope*

The provisions of this chapter apply to shares admitted to trading on a regulated market of an issuer having Norway as its home state. Norway shall be regarded as the home state for issuers as mentioned in section 5-4 subsections (2) to (4). Where Norway is the host state for an issuer, the legislation of the home state shall apply in respect of matters regulated in this chapter.

Section 4-2 *Disclosure of shares and voting rights*

(1) Where a shareholder's proportion of shares to which voting rights are attached reaches, exceeds or falls below 5 per cent, 10 per cent, 15 per cent, 20 per cent, 25 per cent, one-third, 50 per cent, two-thirds or 90 per cent of the votes as a result of acquisition or disposal, the shareholder shall notify the issuer and Finanstilsynet or whomever Finanstilsynet designates for the purpose.

(2) Subsection (1) applies equally to a shareholder's portion of the share capital.

(3) Borrowing of shares and return and receipt of loaned shares shall be regarded as acquisition and disposal for the purposes of this section.

(4) The provisions of this chapter and of regulations issued pursuant to provisions of this chapter apply equally to equity certificates.

(5) "The ministry may by regulations lay down further rules on disclosure pursuant to this section.

Section 4-3 *Disclosure of other financial instruments*

(1) The obligation to send notification under section 4-2 subsection (1) applies equally to anyone who directly or indirectly holds, acquires or disposes of

1. financial instruments which on maturity give the holder an unconditional right or the discretion as to his right to acquire, already issued shares to which voting rights are attached,
2. financial instruments which are not included in no. 1 but which are referenced to shares referred to in no. 1 and with economic effect similar to that of the financial instruments referred to in no. 1, whether or not they confer a right to a physical settlement.

(2) The following shall be considered to be financial instruments under subsection (1):

1. transferable securities,
2. options,
3. futures,
4. swaps,
5. forward rate agreements,
6. contracts for differences, and
7. any other contracts or agreements with similar economic effects which may be settled physically or in cash.

(3) The number of voting rights shall be calculated by reference to the full notional amount of shares underlying the financial instrument. If the financial instrument provides exclusively for a cash settlement, the number of voting rights shall be calculated on a delta-adjusted basis, by multiplying the notional amount of underlying shares by the delta of the instrument. All financial instruments relating to the same underlying issuer shall be aggregated and notified. Only long positions shall be taken into account for the calculation of voting rights. Long positions shall not be netted with short positions relating to the same underlying issuer.

(4) If a holder, acquirer or vendor has given notification under subsection (1), notification shall be given anew if that person has acquired the underlying shares, and such notification causes the total number of voting rights to reach or exceed the thresholds stated in section 4-2 subsection (1).

(5) The ministry may by regulations lay down further rules on disclosure pursuant to this section, including on calculation under subsection (3).

Section 4-4 *Disclosure as a result of other circumstances*

(1) The obligation to give notification under section 4-2 subsection (1) applies equally to voting rights owned by a natural person or legal entity that is subject to a disclosure requirement in the following cases:

1. voting rights held by a third party with whom the said person or entity has concluded an agreement which obliges them to adopt, by concerted exercise of the voting rights they hold, a long-term common strategy,
2. temporary transfer for consideration of voting rights to the said person or entity,
3. voting rights attaching to shares which are lodged as collateral with the said person or entity, provided the said person or entity controls the voting rights and declares its intention of exercising them,
4. voting rights attaching to shares in which the said person or entity has the life interest,
5. voting rights attaching to shares which the said person or entity receives as depositary, and where the said person or entity can in the absence of instructions exercise the voting rights at his own discretion,
6. voting rights held by a third party in its own name on behalf of the said person or entity,
7. issuance or withdrawal of proxies without instructions to the said person or entity.

Holdings of shares shall be calculated both upon entry into and termination of agreements, including upon issuance and withdrawal of proxies.

(2) The obligation to give notification under section 4-2 subsections (1) and (2), and section 4-3 subsection (1), also applies to any natural person or legal entity entitled to acquire, dispose of or exercise voting rights that are held or are exercisable pursuant to subsection (1) no. 4, by a controlled undertaking.

(3) ‘Controlled undertaking’ under subsection (2) means any undertaking in which a natural person or legal entity

1. has a majority of the voting rights,
2. has the right to appoint or remove a majority of the members of the administrative, management or supervisory body and is at the same time a shareholder in, or member of, the undertaking in question,
3. is a shareholder or member and alone controls a majority of the shareholders’ or members’ voting rights pursuant to an agreement entered into with other shareholders or members of the undertaking in question, or
4. has the power to exercise, or actually exercises, dominant influence or control.

The right to appoint or remove a majority of the members of bodies referred to in no. 2 includes rights held by any other undertaking controlled by the shareholder and those of any natural person or legal entity acting, albeit in his or its own name, on behalf of the shareholder or of any other undertaking controlled by the shareholder,

(4) The obligation to notify pursuant to section 4-2 subsection (1) also applies to any natural person or legal entity who directly or indirectly holds shares on behalf of others in his or its own name.

(5) The provisions of section 4-2 subsections (1) and (2) apply equally to changes resulting from corporate actions.

(6) The ministry may by regulations lay down further rules on disclosure resulting from other circumstances, including consolidation. Exemptions may be made from the rules of this section by regulations.

Section 4-5 Exemptions from the disclosure obligation

(1) The obligation to give notification under sections 4-2 and 4-3 does not apply to

1. acquisitions undertaken solely for clearing and settlement purposes within a period of two trading days after execution of the trade,
2. a market maker's acquisition or disposal of a major holding reaching or crossing the 5% threshold by a market maker acting in its capacity of market maker, provided that the market maker neither intervenes in the management of the issuer nor exerts influence on the issuer to buy such shares or back the share price.

(2) Shares or exposures referred to in section 4-3 subsection (1) that are held in the trading book of an investment firm or credit institution shall not count towards the institution's holding provided the latter ensures that the voting rights are not exercised nor otherwise used to intervene in the management of the issuer, and neither the shares or nor the exposure exceed the 5% threshold.

(3) A market maker who trades in shares or rights attaching to the shares of an issuer with Norway as the home state shall without undue delay notify Finanstilsynet if it intends to utilise the exemption provided for in subsection (1) no. 2. The market maker shall indicate the issuers this involves. Corresponding notification shall be given upon cessation of the market making activity.

(4) The ministry may by regulations lay down rules on exemption from the disclosure obligation of sections 4-2 and 4-3.

Section 4-6 Aggregation

(1) The obligation to give notification under sections 4-2 to 4-4 applies equally where the number of voting rights that directly or indirectly are held by a natural person or legal entity pursuant to section 4-4 or 4-4, together with the number of voting rights attached to financial instruments directly or indirectly held under section 4-3, exceeds or falls below the thresholds set out in section 4-2 subsection (2).

(2) The ministry may by regulations lay down further rules on aggregation.

Section 4-7 *Deadline for notification*

(1) Notification pursuant to this chapter shall be given immediately, and no later than by the opening of the regulated market on the second trading day after the agreement on acquisition or disposal was entered into, or after the person subject to the disclosure obligation became or should have become aware of the acquisition, disposal or other circumstance which triggered the disclosure obligation.

(2) The ministry may by regulations lay down rules on notification, and may derogate from the provision of subsection (1).

Section 4-8 *Requirements on notification*

(1) The ministry may by regulations lay down rules as to requirements on notification under sections 4-2 to 4-7.

(2) Finanstilsynet, or whomever Finanstilsynet designates, shall publish notifications under sections 4-2 to 4-7 in accordance with the rules of section 5-12.

(3) Notification under this chapter may be given in Norwegian or English.

Chapter 5 Ongoing and periodic information requirement, publication etc.

I Ongoing information requirement

Section 5-1 *(Revoked)*

Section 5-2 *(Revoked)*

Section 5-3 *(Revoked)*

II Periodic information requirement etc.

Section 5-4 *Scope of application*

(1) Sections 5-5 to 5-10 apply to issuers of transferable securities that have been admitted to trading on a regulated market when Norway is the home state pursuant to this section.

(2) Norway is the home state for an issuer from a country within the EEA whose registered office is in Norway, provided the issuer

1. has issued shares, or
2. has issued debt instruments the denomination per unit of which is less than EUR 1,000, or the equivalent value in another currency.

(3) Norway is the home state for an issuer from a country outside the EEA that has issued transferable securities as referred to in subsection (2), nos. 1 or 2, provided the securities have been

admitted to trading on a Norwegian regulated market and the issuer has chosen Norway as its home state until a new home state is chosen and made public pursuant to subsections (5) and (6).

(4) Norway is the home state for an issuer not covered by subsections (2) and (3) if the issuer has chosen Norway as its home state. Such issuer must either have its registered office in Norway or have its transferable securities admitted to trading on a Norwegian regulated market. The choice of Norway as home state under this provision shall apply for at least three years unless the transferable securities are no longer admitted to trading on a regulated market or a new home state is chosen and made public pursuant to subsection (5) or (6).

(5) An issuer as mentioned in subsections (3) and (4) whose securities are no longer admitted to trading on a Norwegian regulated market but whose securities are admitted to trading on a regulated market in one or more other EEA states may choose a new home state from among these states or the state in which the issuer has its registered office in the EEA.

(6) An issuer shall make public its home state pursuant to subsections (2) to (5) in the same way as mentioned in section 5-12. In addition the issuer shall make its home state known to the authorities of the home state, host state or host states and the state in which the issuer has its registered office in the EEA.

(7) If an issuer as mentioned in subsections (3) and (4) does not make public its home state within a deadline of three months of the date that the issuer's securities were admitted to quotation on a regulated market for the first time, the issuer shall have Norway as its home state up to such time as any ensuing choice of another EEA state has been made public by the issuer.

(8) Norway is the host state for an issuer having another EEA state as its home state whose transferable securities have been admitted to trading on a Norwegian regulated market. Issuers with Norway as their host state shall comply with the home state's legislation insofar as matters regulated in sections 5-5 to 5-10 are concerned.

(9) Sections 5-5 to 5-10 do not apply to a state, the regional or local authorities of a state, a public international body or organisation of which at least one EEA state is a member, an EEA central bank or the European Central Bank, the European Financial Stabilisation Fund or equivalent arrangements established to offer temporary financial assistance to states having the euro as their currency. Nor do sections 5-5 to 5-10 apply to an issuer who only issues debt instruments of which the denomination per unit is at least EUR 100,000 or the equivalent amount in another currency, or to issuers of securities fund units. The ministry may by regulations make further exceptions from sections 5-5 to 5-10, and may lay down rules on the application of the Act to securities funds.

(10) Except as provided by the individual provision, sections 5-5 to 5-14 and rules established pursuant thereto apply equally to equity certificates insofar as appropriate.

(11) The ministry may make further provision regarding the scope of application in regulations, including rules on public disclosure of choice of home state under subsection (4).

Section 5-5 *Annual financial reports*

(1) The issuer shall prepare an annual financial report in accordance with provisions laid down in and pursuant to this Act. The annual financial report shall be made public at the latest four months after the end of each financial year. The issuer shall ensure that it remains publicly available for at least ten years.

(2) The annual financial report shall comprise:

1. the audited financial statements,
2. the management report, and
3. statements made by the persons responsible within the issuer, whose names and functions shall be clearly indicated, to the effect that
 - (a) to the best of their knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and the group taken as a whole and that
 - (b) the management report includes a fair review of the development and performance of the business and the position of the issuer and the group taken as a whole, together with a description of the principal risks and uncertainties that they face.

(3) Where the issuer is required to prepare consolidated accounts in accordance with the Accounting Act section 3-2 subsection (3), under national rules implementing the Seventh Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts or corresponding rules in non-EEA countries, the audited financial statements shall comprise such consolidated accounts drawn up in accordance with Regulation (EC) No 1606/2002; see the Accounting Act section 3-9 subsections (1) and (2). The annual accounts of the parent company shall be drawn up in accordance with the national law of the EEA State in which the parent company has its registered office. Where the issuer is not required to prepare consolidated accounts, the audited financial statements shall comprise the accounts prepared in accordance with the national law of the Member State in which the company has its registered office.

(4) The financial statements shall be audited in accordance with the Act on Auditing and Auditors, under national rules implementing Articles 51 and 51a of the Fourth Council Directive 78/660/EEC of 25 July 1978 on the annual accounts of certain types of companies or corresponding rules in non-EEA countries and, if the issuer is required to prepare consolidated accounts, in accordance with national rules implementing Article 37 of Directive 83/349/EEC, or corresponding rules in non-EEA countries. The audit report, signed by the persons responsible for auditing the financial statements, shall be disclosed in full to the public together with the annual financial report.

(5) Where the auditor finds that the financial statements should not be approved as they stand, or the auditor has made comments, clarifications or audit reservations in the audit report, Finanstilsynet and the regulated market concerned shall be notified accordingly as soon as the audit report has been received by the issuer.

(6) The management report shall be drawn up in accordance with the Accounting Act section 3-3a, with national legislation implementing Article 46 and 46a of Directive 78/660/EEC or corresponding rules in non-EEA countries and, if the issuer is required to prepare consolidated accounts, in accordance with national legislation implementing Article 36 of Directive 83/349/EEC or corresponding rules in non-EEA countries.

(7) If the corporate assembly or supervisory board has significant objections to the management board's proposal for the annual financial statements and management report, or the general meeting does not approve the annual financial statements and the management report, notification thereof shall be made public in accordance with section 5-12 immediately after the proceedings have closed.

(8) The ministry may by regulations make rules on the content, preparation, publication and reporting format of annual reports and on responsible persons as mentioned in subsection (2) no. 3. The ministry may also make regulations concerning requirements as to audit, auditor selection and audit committees.

Section 5-5(a) *Reporting of payments to governments etc.*

Issuers engaged in activities within the extractive industries shall prepare and publish a yearly disclosure report containing information about their payments to governments at country and project level. The same shall apply to issuers engaged in forestry activities in primary forests. The annual report shall state where this disclosure report is published.

The issuer's annual report shall include statements made by the persons responsible within the issuer, whose names and job titles shall be clearly indicated, to the effect that the report referred to in the first subsection has, to the best of their knowledge, been prepared in accordance with the requirements of this section and associated regulations.

The obligation to prepare a yearly report pursuant to the first subsection, first and second sentences, shall not apply to issuers that prepare a yearly report in accordance with the corresponding provisions of another state. The same exemption shall apply if information pursuant to the first subsection first sentence is included in the parent company's yearly report on payments made by the group to governments prepared as a group report under the rules of this section and associated regulations or under corresponding rules of another state.

The ministry may by regulations provide that the reporting obligation under the first subsection shall only apply to issuers above a certain size and to payments above certain threshold amounts, as well as making other exceptions to the first subsection. The ministry may by regulations also provide that the report shall include information other than payments to governments, specifying what shall be deemed to constitute corresponding provisions of another state, and make further provision with regard to definitions, public disclosure and group reporting.

Section 5-6 *Half-yearly financial reports*

- (1) The issuer shall prepare a half-yearly financial report covering the first six months of the financial year in accordance with provisions laid down in and pursuant to this Act. The half-yearly financial report shall be made public as soon as possible after the end of the relevant

period, but at the latest two months thereafter. The issuer shall ensure that the half-yearly financial report remains available to the public for at least ten years.

(2) The half-yearly financial report shall contain:

1. the condensed set of financial statements (half-yearly financial statements),
2. an interim management report; and
3. statements made by the persons responsible within the issuer, clearly stating their names and job titles, to the effect that
 - (a) to the best of their knowledge, the condensed set of financial statements has been prepared in accordance with applicable accounting standards and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and the group taken as a whole and that
 - (b) to the best of their knowledge, the interim management report includes a fair review of the information referred to in subsection (4).

(3) Where the issuer is required to prepare consolidated accounts in accordance with the Accounting Act section 3-9 subsections (1) and (2), under national legislation implementing Regulation (EC) No 1606/2002 or corresponding rules of non-EEA countries, the half-yearly financial statements shall be prepared in accordance with the international accounting standard applicable to interim financial reporting. Where the issuer is not required to prepare consolidated accounts, the half-yearly financial statements shall at least contain a condensed balance sheet, a condensed profit and loss account and explanatory notes on these accounts. In preparing the condensed balance sheet and the condensed profit and loss account, the issuer shall follow the same principles for recognition and measurement as when preparing annual financial reports.

(4) The interim management report shall include at least an indication of important events that have occurred during the first six months of the financial year, and their impact on the half-yearly financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year. For issuers of shares, the interim management report shall also include major related party transactions.

(5) If the half-yearly financial report has been audited or reviewed by auditors, the audit or review shall be made public in accordance with section 5-12 together with the half-yearly financial report. If the half-yearly financial report has not been audited or reviewed by auditors, the issuer shall make a statement to that effect in its report.

(6) The ministry may by regulations adopt further rules on the content, preparation and public disclosure of half-yearly reports and on responsible persons as mentioned in subsection (2) no. 3. The ministry may by regulations make requirements as to further interim reporting, including half-yearly financial statements, and as to the content, presentation and publication of half-yearly financial statements.

Section 5-7 Issuers from non-EEA countries

The ministry will adopt regulations implementing Article 23 of Directive 2004/109/EC. The ministry may also provide that national legislation implementing Article 10 of 2004/25/EC and Articles 1 and 2 of Directive 2006/46/EC shall apply equally to issuers from non-EEA countries.

Section 5-8 *Changes in share capital, rights, loans and articles of association*

(1) An issuer of shares shall immediately make public any change in the rights attached to the issuer's shares, including changes in related financial instruments issued by the company.

(2) An issuer of shares shall, at the latest at the end of each month in which a change in share capital or voting rights takes place, publicly disclose an overview of the share capital and number of votes of the company.

(3) Issuers other than issuers of shares shall forthwith make public any change in the rights attaching to their transferable securities, including changes in terms or conditions that may indirectly affect the holder's legal status, in particular changes in borrowing terms or interest rates.

(4) Information mentioned in subsections (1) to (4) shall be publicly disclosed in accordance with section 5-12.

Section 5-8(a) *Information about shareholder matters in the management report*

Issuers of securities quoted on a regulated market that are required pursuant to the Accounting Act to maintain accounting records shall in their management report disclose the following information relating to the company's shareholders:

1. a description of any provisions of articles of association that restrict the right to trade in the shares of the company.
2. a description of who exercises the rights attached to shares in any employee share schemes where authority is not exercised directly by the employees who are covered by the scheme,
3. any agreements between shareholders which are known to the company and which restrict the possibilities of trading in or exercising voting rights attached to shares,
4. any significant agreements to which the company is a party the terms of which take effect, alter or terminate as a result of a takeover bid, and a description of those terms. Where disclosure of such agreement would be unreasonably prejudicial to its business, the company may omit to disclose the agreement. This exception shall not apply where the company is obliged to disclose such information pursuant to other legislation.

Section 5-9 *Information to shareholders etc.*

(1) The issuer shall ensure that the facilities and information necessary to enable shareholders to exercise their rights are available in Norway. The issuer shall moreover ensure that the integrity of data is preserved.

(2) The issuer shall in the notice convening the general meeting state the number of shares and voting rights, as well as provide information on the shareholder's rights.

(3) The issuer shall enclose with the notice a proxy voting form, unless such form is made available to the shareholders on the internet site of the company and the notice includes all the information needed by the shareholders to gain access to the documents, including the internet address.

(4) The ministry may by regulations make further rules requiring a share issuer to designate as its agent an undertaking through which shareholders may exercise their rights, including rules on which undertakings may be designated as agents and on what are to be regarded as financial rights.

(5) The issuer shall make public information concerning the allocation and payment of dividends, and on issuance of shares, including information on any arrangements for allotment, subscription, cancellation and conversion.

(6) The issuer may use electronic means to communicate notices, warnings, information, documents, notifications and the like to shareholders, provided the shareholder concerned has given his or her explicit approval. Where a share issuer conveys information etc., to a shareholder, he or she may do so by electronic means to the shareholder's e-mail address or by such means as the shareholder has specified for the purpose.

(7) The ministry may by regulations make further provision concerning information to shareholders.

Section 5-10 *Information to lenders etc.*

(1) Borrowers shall ensure that the facilities and information necessary to enable lenders to exercise their rights are available in Norway. The borrower shall moreover ensure that the integrity of data is preserved.

(2) The borrower shall in the notice convening a lenders meeting include information on the venue, time, agenda, the lender's right to attend the meeting, payment of interest, exercise of any conversion, exchange or cancellation rights, and on repayment of the loan.

(3) The borrower shall append a proxy voting form to the notice of the meeting.

(4) The ministry may by regulations make further rules requiring a borrower to designate as its agent an undertaking through which lenders may exercise their rights, including rules on which undertakings may be designated as agents and on what are to be regarded as financial rights.

(5) The lenders meeting may be held in an EEA state other than Norway provided the denomination per bond is at least EUR 100,000, or the equivalent amount in another currency at the time of the issue, and all facilities and all information necessary to enable the lenders to exercise their rights are made available in the EEA state concerned.

(6) Section 5-9 subsection (6) applies equally to communication with lenders.

(7) The ministry may by regulations adopt further rules concerning information to lenders.

Section 5-11 *(Revoked)*

III Disclosure of information etc.

Section 5-12 *Disclosure, filing and storage of information*

(1) The issuer, or the person who has applied for admission to trading on a regulated market without the issuer's consent, shall disclose information regulated under this Act in an efficient and non-discriminatory manner. Investors and potential investors in the transferable securities shall not be charged for the disclosure of the information and shall to a reasonable degree be assured access to the information within the EEA area. The information shall at the same time as it is made public be communicated to the regulated market concerned which shall store it in an adequate manner.

(2) Information as mentioned in sections 5-5, 5-5(a) and 5-6 shall be filed with Finanstilsynet by electronic means at the same time as disclosure under subsection (1) takes place. The ministry may make further provision concerning such filing.

(3) Information which is confidential or classified in the interest of national security, relations with foreign states or national defence may not be made public under subsection (1).

(4) Subsection (1) first and second sentences and subsection (2) apply to issuers having Norway as their home and host state. For issuers with Norway as their host state, the provisions mentioned only apply where securities are admitted to trading on a regulated market only in Norway. Such issuers shall in addition to publicly disclosing the information file such information with the official storage mechanism of the country concerned.

(5) The ministry may by regulations make further provision concerning public disclosure and storage of information, including rules requiring that the information be disclosed and stored by means other than that specified in this section. The ministry may make regulations concerning link-up to a European single access point for officially appointed storage mechanisms for regulated information.

Section 5-13 *Languages*

(1) Issuers having Norway as their home state and whose transferable securities are admitted to quotation on a Norwegian regulated market only, shall disclose information in Norwegian.

(2) Issuers having Norway as their home state and whose transferable securities are admitted to quotation both in Norway and in a host state shall disclose information in Norwegian and, depending on the choice of the issuer, either in a language accepted by the competent authority of the host state or in English.

(3) Finanstilsynet may determine that an issuer as mentioned in subsections (1) and (2) may be exempted from the requirement to disclose information in Norwegian. The requirement to disclose information in Norwegian pursuant to subsections (1) and (2) shall not apply to reports as mentioned in section 5-5(a), subsection (3), of the Securities Trading Act. Finanstilsynet may delegate authority under the first sentence to a regulated market.

(4) Issuers having Norway as their host state and whose transferable securities are not admitted to quotation on a regulated market in their home state shall disclose information in Norwegian, Swedish, Danish or English.

(5) Where transferable securities are admitted to quotation on a regulated market without the issuer's consent, the obligations under subsections (1) to (4) shall be incumbent upon the person who has requested such admission without the issuer's consent.

(6) Where securities with a denomination of at least EUR 100,000 or, in the case of bonds in a currency other than the euro, with a denomination equivalent to at least EUR 100,000 on the date of issue, are admitted to trading on a regulated market in Norway, the issuer shall disclose the information either in Norwegian or English.

IV Equal treatment

Section 5-14 *Equal treatment*

(1) Issuers of financial instruments admitted to trading on a Norwegian regulated market shall treat the holders of their financial instruments on a non-discriminatory basis. Issuers must not subject the holders of the financial instruments to discriminatory treatment that is not objectively based in the issuer's and the holder's mutual interests.

(2) When trading in or issuing financial instruments or rights to such instruments, the issuer's governing bodies, elected officers or senior employees must not take measures that are liable to provide them, individual holders of financial instruments or third parties with any unreasonable advantage at the expense of other holders or the issuer. The same applies to the trading in or issuance of financial instruments or rights attached to such instruments within the group of which the issuer is a part.

Chapter 6 Mandatory bid obligation and the voluntary bid in connection with takeovers

Section 6-1 *Mandatory bid obligation in connection with share acquisition*

(1) Any person who through acquisition becomes the owner of shares representing more than 1/3 of the voting rights of a Norwegian company the shares of which are quoted on a Norwegian regulated market is obliged to make a bid for the purchase of the remaining shares in the company. The mandatory bid obligation ceases to apply if sale is undertaken in accordance with section 6-8; see section 6-9.

(2) The following are also regarded as acquisitions under subsection (1):

1. shares representing more than 50 per cent of the votes of a company whose principal activity consists in owning shares in a company referred to in subsection (1),
2. an ownership interest in a general partnership or a limited partnership that owns shares in a company as mentioned in subsection (1) and where the partners are exclusively related parties as mentioned in section 2-5.

3. a corresponding ownership interest in a foreign company with a form of business organisation equivalent to that mentioned in no. 1 or no. 2, as well as other foreign undertakings if the takeover supervisory authority so determines.

(3) Section 6-5 applies equally in the case of acquisitions referred to in subsection (2) nos. 1 and 3.

(4) The ministry may by regulations make rules imposing a mandatory bid obligation upon the acquisition of rights or other interests related to shares, including further rules on what rights or interests should trigger a mandatory bid obligation and further rules on such mandatory bid obligation.

(5) Subsections (1) to (4) also apply where the acquirer has previously made a voluntary bid. Subsections (1) to (4) do not however apply where the following conditions are met:

1. the voluntary bid was made in accordance with the rules on mandatory bids,
2. the mandatory bid threshold mentioned in subsection (1) is crossed as a result of the bid, and
3. it was stated in the offer document that the voluntary bid is made in accordance with rules on mandatory bids and, in consequence of this, the mandatory bid obligation will not be triggered even if the mandatory bid threshold as mentioned in subsection (1) is crossed as a result of the bid.

(6) Subsection (1) applies equally in the event of acquisition by someone with whom the acquirer is consolidated pursuant to section 6-5 when the acquirer alone or together with one or more of the related parties crosses the mandatory offer threshold as a result of the acquisition.

Section 6-2 *Exceptions for certain types of acquisition*

(1) No mandatory bid obligation is triggered under section 6-1 or section 6-6 where acquisition is in the form of

1. inheritance or gift,
2. payment in connection with probate, or
3. payment in connection with the merger or demerger of a private limited company or public limited company.

(2) The takeover supervisory authority may in special cases impose a mandatory bid obligation in connection with acquisitions as mentioned in subsection (1).

(3) The takeover supervisory authority may make exceptions from the mandatory bid obligation in the case of acquisition by a party with whom the acquirer is consolidated pursuant to section 6-5; see section 6-1 subsection (6).

Section 6-3 *Exceptions for certain institutions*

(1) No mandatory bid obligation is applicable pursuant to section 6-1 or section 6-6 in cases where a financial institution acquires shares in a company in order to avert or limit loss on an exposure. The institution shall without delay notify such acquisition to the takeover supervisory

authority. The takeover supervisory authority may instruct the institution to make a bid as mentioned in section 6-1 within a specified period or to dispose of shares so that the mandatory bid obligation no longer applies.

(2) The mandatory bid obligation pursuant to section 6-1 and section 6-6 does not apply to the Norwegian State Finance Fund.

Section 6-4 *Takeover supervisory authority*

(1) In this chapter 'takeover supervisory authority' means the regulated market on which the shares of the company that is the object of the takeover bid are quoted. The ministry may by regulations provide that all or some of the powers of the takeover supervisory authority shall be exercised by Finanstilsynet.

(2) The takeover supervisory authority shall cooperate and exchange information with its foreign counterparts in matters covered by this chapter.

Section 6-5 *Consolidation*

(1) Under the mandatory bid rules, shares owned or acquired by a shareholder's related parties as mentioned in section 2-5 are considered equal to the shareholder's own shares. The mandatory bid obligation comes into play independently of whether the acquisition is undertaken by the shareholder himself or by the shareholder's related parties as mentioned in section 2-5. In the assessment of whether repeat application of the mandatory bid obligation is triggered, bids previously made by related parties as mentioned in section 2-5 are considered equal to an acquirer's previous bids.

(2) The takeover supervisory authority shall decide whether consolidation shall be carried out pursuant to subsection (1). The takeover supervisory authority shall communicate its decision to the participants in the group so consolidated.

Section 6-6 *Repeat application of the mandatory bid obligation and subsequent acquisitions*

(1) A shareholder who owns shares representing more than 1/3 of the votes of a listed company is obliged to make an offer to purchase the remaining shares of the company (repeat bid obligation) where the shareholder through acquisition owns shares representing 40 per cent of the votes of the company. The first sentence applies equally where the shareholder through acquisition owns 50 per cent or more of the votes of the company. The first and second sentences do not apply in the case of acquisitions in connection with the launch of a bid as mentioned in section 6-1.

(2) A shareholder who has crossed a mandatory bid threshold as mentioned in section 6-1 or section 6-6 subsection (1) in such a way as not to trigger the mandatory bid obligation, and has therefore not made a mandatory bid, is obliged in the case of each subsequent acquisition that increases his proportion of the voting rights to make an offer to buy the remaining shares of the company.

(3) The mandatory bid obligation under subsections (1) and (2) does not however apply where shares are disposed of in accordance with section 6-8; see section 6-9.

Section 6-7 *Consent to share acquisition*

If, according to the company's articles of association, an acquisition is subject to the consent of the board of directors, the board will be deemed to have given its consent if the matter has not been decided within three weeks of the offeree company's receipt of notice of the acquisition.

Section 6-8 *Notification to the takeover supervisory authority*

(1) Where an agreement on acquisition triggering a mandatory bid obligation under sections 6-1 to 6-6 is entered into, the person who is or will be subject to such obligation shall without delay notify the takeover supervisory authority and the offeree company accordingly. The notification shall state whether a bid will be made to buy the remaining shares in the offeree company or whether sale will take place in accordance with section 6-9. The takeover supervisory authority shall make the notification available to the public.

(2) The person subject to the mandatory bid obligation and offeree company shall inform their employees immediately after the notification has been made public.

(3) If notification is not given in accordance with subsection (1), or the mandatory bid obligation is otherwise contested, the takeover supervisory authority shall make a decision on the issues thereby raised.

(4) Notification of sale may be changed to notification of bid provided the bid is made within the time limit set in section 6-10 subsection (1).

(5) Until such time as a bid is made or sale effected, no other rights in the offeree company may be exercised in respect of the portion of the shares which exceeds the mandatory bid threshold than the right to take out dividend on the shares and to exercise pre-emption rights in the event of an increase of capital.

Section 6-9 *Sale of shares*

(1) Sale of shares in accordance with notification or decision as mentioned in section 6-8 shall take place within four weeks of the date on which the mandatory bid obligation was triggered.

(2) Such sale shall encompass that portion of the shares which exceeds the threshold mentioned in section 6-1. In the event of a mandatory bid under section 6-6, the sale may be restricted to the shares acquired through the subsequent acquisition.

Section 6-10 *The bid*

(1) The bid shall be made without undue delay and at the latest four weeks after the mandatory bid obligation was triggered.

(2) The bid shall encompass all shares of the offeree company, including shares with restricted or no voting rights.

(3) An offer may not be made conditional.

(4) The bid price shall be at least as high as the highest payment the offeror has made or agreed in the period six months prior to the point at which the mandatory bid obligation was triggered. The ministry may by regulations make rules concerning the bid price, including rules permitting the takeover supervisory authority, on specific conditions, to change the price ensuing from the first sentence. If it is clear that the market price at the point the mandatory bid obligation is triggered is higher than the price following from the first sentence, the bid price shall be at least as high as the market price.

(5) If the offeror, after the mandatory bid obligation was triggered and before the expiry of the period of the offer, has paid or agreed a higher price than the bid price, a new bid shall be deemed to have been made with a bid price equivalent to the higher payment or price. The provisions of section 6-12 subsection (2) apply equally to the new bid.

(6) Settlement under the terms of the bid shall be in cash. A bid may nonetheless give the shareholders the right to accept an alternative to cash.

(7) The settlement shall be guaranteed by a financial institution authorised to provide such guarantees in Norway. The takeover supervisory authority may make further regulations concerning guarantees as mentioned in the first sentence.

(8) Settlement shall take place as soon as possible and at the latest 14 days after expiry of the period of the bid.

(9) The offeror shall ensure all shareholders equal treatment when making a bid.

(Not yet in force)

Section 6-11 *Period of the bid*

(1) The bid shall state a time limit for shareholders to accept the bid (the period of the bid). The time limit may not be shorter than four weeks and not longer than six weeks.

(2) The ministry may make further regulations on the right to dispense with the Act's general requirement as to the longest permitted bid period.

Section 6-12 *New bid*

(1) The offeror may make a new bid prior to the expiry of the period of the bid, provided the new bid is approved by the takeover supervisory authority. The offeree company's shareholders shall be entitled to choose between the bids.

(2) If a new bid is made, the period of the bid shall be extended so that at least two weeks remain to expiry.

Section 6-13 *Requirements on the offer document*

(1) Anyone subject to a mandatory bid obligation shall draw up an offer document which reproduces the bid and gives correct and complete information about matters of significance for evaluating the bid.

(2) The offer document shall specifically state:

1. the offeror's name and address, and the type of organisation and organisation number if the offeror is an undertaking,
2. information about the shares and share classes involved,
3. information about related parties as mentioned in section 6-5, including the basis for the consolidation and any shareholder agreements,
4. what shares and loans referred to in the Private Limited Companies Act section 11-1 and the Public Limited Companies Act section 11-1 in the listed company are owned by the offeror or anyone mentioned section 6-5,
5. the bid price and the method used to establish the bid price, the time limit for settlement and the form of settlement, and what guarantees are furnished for performance of the offeror's obligations,
6. the principles underlying the valuation of asset items offered as settlement, including information on factors to which importance must be given when deciding whether to subscribe or acquire securities,
7. the time limit for accepting the bid and how acceptance should be filed,
8. how the purchase of the shares is to be financed,
9. special advantages which are accorded by agreement to members of the management or governing bodies of the company or which are held in prospect for any of the latter,
10. what contact the offeror has had with the management or governing bodies of the offeree company before the bid was made,
11. the purpose of taking over control of the offeree company and plans for further operation,
12. reorganisation etc., of the offeree company and the group of which it forms part,
13. what significance implementation of the bid will have for the employees, including the legal, financial and employment consequences of the bid, and the legal and tax consequences of the bid,
14. the largest and smallest proportion of the share capital that the offeror undertakes to acquire,
15. information on payment of compensation offered for rights that may be set aside as a result of a decision as mentioned in section 6-17 subsection (4),
16. information on choice of law and venue for any dispute that may arise in connection with agreements entered into between the offeror and the shareholders.

(3) The offer document shall be signed by the offeror.

Section 6-14 *Approval and public disclosure of the bid*

(1) The bid and the offer document require approval by the takeover supervisory authority before the bid is made or made public.

(2) After the bid has been approved, the party subject to the mandatory bid obligation shall dispatch the bid to all shareholders with known whereabouts. The company is obliged to facilitate such dispatch.

(3) After the bid has been approved, the party subject to the mandatory bid obligation and the offeree company shall make the bid known to their employees.

(4) An offer document approved by the competent authority of another EEA state shall be deemed to be approved as from the date on which notification is received from that EEA state to the

effect that the offer document has been prepared in conformity with national rules implementing Directive 2004/25/EC and approved by the competent authority of the EEA state concerned. The Norwegian takeover supervisory authority may however stipulate that the offer document shall be translated.

Section 6-15 Fees

The takeover supervisory authority may charge the offeror a fee to cover expenses in connection with approval as mentioned in section 6-14.

Section 6-16 *The offeree company's statement regarding the bid*

(1) Where a bid is made under the rules on mandatory bids, the board of the offeree company shall make public a statement setting out its opinion of the bid and the reasons on which it is based, including its views on the effects of implementation of the bid on the company's interests, and on the offeror's strategic plans for the offeree company and their likely repercussions on employment and the locations of the company's places of business. Should the board consider itself unable to make a recommendation to the shareholders on whether they should or should not accept the bid, it shall explain why this is so. Information shall also be given about the views, if any, of the board members and the manager effectively in charge in their capacity as shareholders of the company. If the board receives in good time a separate opinion from the employees on the effects of the bid on employment, that opinion shall be appended to the statement.

(2) The statement shall be available at the latest one week before the period of the bid expires.

(3) The statement shall be sent to the takeover supervisory authority and be made known to the shareholders and the employees.

(4) Where a bid has been made by someone who is a member of the board of the offeree company, or the bid has been made in concert with the board of the company, the takeover supervisory authority shall decide who shall issue a statement as mentioned in subsection (1) on behalf of the company.

Section 6-17 *Restriction of the offeree company's freedom of action*

(1) After the company is informed that a bid will be made pursuant to section 6-1, section 6-2 subsection (2) or section 6-6 and until the period of the bid has expired and the result is clear, the board or manager effectively in charge may not make decisions in regard to

1. issuance of shares or other financial instruments by the company or by a subsidiary,
2. merger of the company or subsidiary,
3. sale or purchase of significant areas of operation of the company or its subsidiaries, or other dispositions of material significance to the nature or scope of its operations, or
4. purchase or sale of the company's shares.

(2) This section does not apply to dispositions that are part of the normal course of the offeree company's business, or where the general meeting has empowered the board or manager effectively in charge to make such decisions with takeover situations in mind.

(3) The company's general meeting may by way of the articles of association stipulate that EEA rules corresponding to Directive 2004/25/EC Article 9(2) and (3), see Article 12(2), shall apply to the company.

(4) The offeree company's general meeting may by way of the articles of association also stipulate that EEA rules corresponding to Directive 2004/25/EC Article 11, see Article 12(2), shall apply. The company's general meeting shall in a resolution, if any, under the first sentence establish further conditions for the calculation and payment of compensation in accordance with Article 11(5) of the same Directive.

(5) Companies having adopted a resolution in accordance with subsections (3) and (4) shall report the resolution to the takeover supervisory authority and to the competent authorities of other member states where the company has been admitted to listing on a regulated market, or where such listing has been requested.

(6) Notice of a general meeting for the resolution of measures determined in the articles of association as mentioned in subsection (3) and (4) shall, without prejudice to the time limit for convening of general meeting pursuant to the Public Limited Liability Companies Act section 5-11(b) no.1, be sent to shareholders no later than two weeks prior to the meeting. In the articles of association, the company may set a longer time limit for convening a general meeting for the adoption of resolutions as mentioned in subsection (4).

Section 6-18 *Public disclosure of the result of the bid*

The offeror shall without delay make public the result of any bid made.

Section 6-19 *Voluntary bids*

(1) The provisions of section 6-10 last subsection and sections 6-12 to 6-18 apply equally in the event of voluntary bids entailing that a mandatory bid obligation under section 6-1 comes into play if the bid is accepted by those able to make use of it.

(2) Subsection (1) does not apply where a bid is addressed specifically to certain shareholders unless the bid is made simultaneously or in conjunction and has the same content.

(3) Whoever has made a decision to make a voluntary bid as referred to in subsection (1) shall forthwith notify the takeover supervisory authority and the offeree company. The takeover supervisory authority shall make the notification available to the public. The offeror and the company shall inform their employees immediately the notification has been made public.

(4) The bid shall be launched within a reasonable period after the decision to launch a voluntary bid is taken.

(5) A voluntary bid as referred to in subsection (1) shall indicate a period allowed for shareholders to accept the bid. The period may not be shorter than two weeks or longer than 10 weeks. The ministry may make further regulations on the right to dispense with the Act's general requirement as to the longest permitted bid period.

Section 6-20 Exercise of shareholder rights in case of failure to make a mandatory bid

Shareholders who neglect their obligation to make a bid under section 6-1, section 6-2 subsection (2) or section 6-6 may not, for the duration of the mandatory bid obligation, exercise rights in the company other than the right to dividend and pre-emption rights in the event of an increase of capital without the consent of a majority of the remaining shareholders.

Section 6-21 Forced sale of shares

(1) If no bid is made under section 6-1, section 6-2 subsection (2) or section 6-6 and the period allowed for sale pursuant to section 6-9 is exceeded, the takeover supervisory authority may sell the shares under the rules governing forced sale insofar as they are applicable. The Enforcement Act section 10-6, cf. section 8-16, does not apply.

(2) The takeover supervisory authority shall give the party subject to the mandatory bid obligation at least two weeks' notice of forced sale.

Section 6-22 Forced transfer of shares in connection with the mandatory bid obligation and voluntary bid

(1) Where the offeror, after making a mandatory or voluntary bid pursuant to section 6-19, has acquired more than nine tenths of the voting shares of the offeree company and a corresponding proportion of the votes that can be cast at the general meeting, the offeror may decide to force the transfer of the remaining shares in accordance with the Public Limited Companies Act section 4-25. The remaining shareholders are entitled to demand that the offeror take over the shares.

(2) If forced transfer takes place within three months after the expiry of the period of the bid under section 6-11, the redemption price shall be fixed on the basis of the bid price unless another price is called for on special grounds.

(3) Where the offeror, after making a voluntary bid, has acquired a holding as stated in subsection (1), shares may be forcibly transferred without a prior mandatory bid having been made provided the following conditions are met:

1. forced transfer is initiated at the latest four weeks after the acquisition of shares by voluntary bid,
2. the redemption price corresponds at least to the lowest bid price that would have resulted from a mandatory bid, and
3. the same guarantee is provided as in the case of a mandatory bid under section 6-10 subsection (7). The Public Limited Companies Act section 4-25 subsection (5) does not apply to the extent that such a guarantee is provided.

Section 6-23 Takeover bids with links to more than one state

(1) The provisions of this chapter apply mutatis mutandis in relation to

1. companies with their registered office in another state whose shares or other securities comparable to shares are not quoted on a regulated market in the state in which the company has its registered office but on a Norwegian regulated market, and

2. companies with their registered office in Norway whose shares are quoted on a regulated market in another EEA state.

(2) The ministry may in cases as mentioned in subsection (1) lay down further regulations on the application of the provisions of this chapter as well as on the takeover supervisory authority and choice of law.

(3) The takeover supervisory authority may by individual decision make exception from some or all of the provisions of this chapter in the case of companies with their registered office in Norway whose shares are quoted on a regulated market both in Norway and a state outside the EEA. The same applies in relation to companies with their registered office in a state outside the EEA whose shares are quoted on a regulated market in Norway.

Chapter 7 Prospectus requirements in connection with public offerings and admission to trading

I EEA prospectuses

Section 7-1 *Prospectus Regulation*

(1) EEA Agreement Annex IX (Regulation (EU) No. 2017/1129 (on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the Prospectus Regulation), as amended by Regulation (EU) 2021/337 as regards the EU Recovery prospectus), applies as law with such modifications as follow from Annex IX, Protocol 1 to the Agreement and the Agreement in general.

(2) Where in this Act reference is made to the Prospectus Regulation, it shall at all times be taken to mean the Regulation as implemented or amended pursuant to subsection (1) or subsection (3).

(3) The ministry may make regulations to supplement this section and may by regulations make amendments to, and exceptions from, the provisions implemented in subsection (1) to implement Norway's obligations under the EEA Agreement.

Section 7-2 *Application to equity certificates*

Equity certificates are deemed to be securities as defined in Article 2(a) of the Prospectus Regulation. The provisions of the Prospectus Regulation on shares and section 7-4 subsection (1) apply with equal effect to equity certificates insofar as appropriate.

Section 7-3 *Threshold amount for the obligation to prepare an EEA prospectus*

Offers to the public for subscription or purchase of shares are exempt from the obligation to prepare an EEA prospectus under Article 3(1) of the Prospectus Regulation provided that the total consideration of each such offer in the EEA is less than EUR 8 million calculated over a period of 12 months.

Section 7-4 *Responsibility attaching to an EEA prospectus*

(1) Where an offer for subscription or purchase of shares is made by the company that has issued the shares, the company's board of directors or equivalent governing body shall be responsible for

ensuring that the prospectus meets relevant information requirements. The same applies to admission to trading on a regulated market.

(2) In cases other than under subsection (1), responsibility for ensuring that the EEA prospectus meets the information requirements shall attach at least to the offeror, the person requesting admission to trading, or the guarantor, as the case may be.

II National prospectuses

Section 7-5 Obligation to prepare national prospectuses

(1) Where offers are made to the public for subscription or purchase of securities for a total consideration between EUR 1 million and EUR 8 million calculated over a period of 12 months, national prospectuses shall be prepared under the rules of the present chapter.

(2) ‘Securities’ under subsection (1) means transferable securities with the exception of money market instruments with a maturity of less than 12 months.

(3) Section 7-2 applies with equal effect insofar as appropriate.

Section 7-6 Exemption from the obligation to prepare national prospectuses

Article 1, paragraph 4, and paragraph 6, first sentence, of the Prospectus Regulation, cf. section 7-1, on exemptions from the obligation to publish a prospectus when securities are offered to the public apply equally to national prospectuses.

Section 7-7 Content of and responsibility for national prospectuses

(1) National prospectuses shall contain such information as is necessary to enable the investors to make a well informed assessment of the issuer’s and any guarantor’s financial position and prospects, and of rights attached to the securities offered. In the assessment of what is to be deemed necessary information, account shall inter alia be taken of the nature of the offeror and of the securities offered. The information shall be presented in an easily comprehensible and analysable form.

(2) National prospectuses shall identify the persons responsible for the prospectus by their names and positions. Section 7-4 applies.

(3) National prospectuses shall include a responsibility statement signed by those responsible for the prospectus to the effect that to the best of their knowledge the information given is consistent with the facts, and that no knowledge of such nature as may alter the substance of the prospectus has been omitted, and that they have taken all reasonable steps to ensure that such is the case.

(4) The ministry may by regulations lay down provisions on the content of national prospectuses, including requirements on language and the presentation of information in a specified sequence.

Section 7-8 Registration of national prospectuses in the Register of Business Enterprises

National prospectuses shall be registered in the Register of Business Enterprises prior to publication.

Section 7-9 Validity and publication of national prospectuses

(1) National prospectuses are valid for 12 months after registration in the Register of Business Enterprises, provided they are completed by any supplement required pursuant to section 7-10.

(2) National prospectuses shall be published no later than the start of the offer period. Publication is deemed to have taken place once the prospectus is made electronically available on the website of the offeror or the lead manager.

(3) Where information on an offer of securities to the public is given in advertisements or by other means, they shall also state that further information is available in the national prospectus and indicate where the prospectus is electronically available. Such information shall be consistent with the information contained in the prospectus.

(4) Acceptance forms may only be issued together with a complete national prospectus.

Section 7-10 *Supplements to national prospectuses*

(1) Any new material circumstance, error or inaccuracy which is capable of affecting the assessment of the securities, and which arises or comes to light between the registration of the national prospectus and the expiry of the acceptance period, shall be mentioned in a supplement to the prospectus.

(2) The supplement shall be registered in accordance with section 7-8 and published without undue delay in accordance with section 7-9.

Section 7-11 *Withdrawal of acceptance given in connection with national prospectuses*

(1) If the national prospectus does not contain information on price or on the procedure for determining the price, acceptance of the offer may be withdrawn within two days of the date on which the final price and number of securities offered are registered with the Register of Business Enterprises.

(2) Acceptance of an offer given before any supplement to a national prospectus was published, see section 7-10, may be withdrawn within two days of such publication if the new circumstance, error or inaccuracy arose or came to light before the delivery of the securities. The final date for withdrawal of acceptance shall be stated in the supplement.

(3) The ministry may by regulations make provision concerning such registration as mentioned in subsection (1).

III General provisions

Section 7-12 *Competent prospectus authority*

(1) Finanstilsynet is the competent prospectus authority pursuant to the Prospectus Regulation and may review national prospectuses at its own initiative.

(2) The ministry may by regulations provide that national prospectuses shall be sent to Finanstilsynet for scrutiny prior to publication.

Section 7-13 *Special powers of the competent prospectus authority*

(1) Where there are grounds for suspecting that rules laid down in or pursuant to chapter 7 have been infringed, Finanstilsynet may:

1. order an offer of securities to the public or admission to trading on regulated market to be suspended for a maximum of 10 consecutive working days,
2. prohibit advertisements relating to an offer of securities to the public or admission to trading on regulated market for a maximum of 10 consecutive working days,
3. suspend, or require the relevant trading venues to suspend, trading for a maximum of 10 consecutive working days.

(2) Finanstilsynet may adopt a decision to refuse to consider and approve a prospectus drawn up by an issuer, offeror or person requesting admission to trading on a regulated market that has infringed provisions laid down in or pursuant to chapter 7 if such infringement entails that there are grounds for fearing that consideration and approval of the prospectus may impair investor protection or confidence in the securities market.

(3) Where Finanstilsynet has adopted a decision or prohibition under Article 42 of the Markets in Financial Instruments Regulation, see section 8-1, Finanstilsynet may halt the scrutiny of a prospectus that has been submitted for approval, or suspend an offer of securities to the public or admission to trading on a regulated market, or restrict the offer or admission to trading, until such prohibition or restriction has ceased.

(4) Finanstilsynet may order issuers, offerors or persons that request admission to trading on a regulated market to provide supplementary information in the prospectus where this is necessary in the interest of investor protection.

(5) Finanstilsynet may publish, or require the issuer to publish, all material information which may have an effect on the assessment of the securities offered to the public or admitted to trading on a regulated market in order to ensure investor protection or a well-functioning market.

Section 7-14 *Fee to cover expenses of prospectus control*

(1) Finanstilsynet may require the person responsible for drawing up a prospectus to pay a fee to cover expenses of scrutiny of the prospectus.

(2) The register of business enterprises may require the offeror to pay a fee to cover expenses of registration of the prospectus.

(3) The ministry may by regulations make further provisions regarding the calculation and collection of fees.

Section 7-15 *Supplementary regulations*

The ministry may make further regulations to sections 7-1 to 7-14, including making further exemptions from the obligation to publish a prospectus.

Section 7-16 *(Revoked)*

Section 7-17 *(Revoked)*

Section 7-18 *(Revoked)*

Section 7-19 *(Revoked)*

Section 7-20 *(Revoked)*

Section 7-21 (Revoked)

Chapter 8 Implementation of the Markets in Financial Instruments Regulation

Section 8-1 *The Markets in Financial Instruments Regulation*

(1) EEA Agreement Annex IX (Regulation (EU) No. 600/2014) on markets in financial instruments (the Markets in Financial Instruments Regulation) as amended by Regulation (EU) No 1033/2016) applies as law with such modifications as follow from Annex IX, protocol I to the Agreement and the Agreement in general.

(2) Where in this Act reference is made to the Markets in Financial Instruments Regulation, it shall be taken to mean the Regulation as implemented in subsection (1).

(3) The ministry may make supplementary regulations to this section and by regulations make amendments to, and make exemptions from, the provisions implemented in subsection (1) to implement Norway's obligations under the EEA Agreement.

Section 8-2 (Revoked)

Section 8-3 (Revoked)

Section 8-4 (Revoked)

Section 8-5 (Revoked)

Section 8-6 (Revoked)

Section 8-7 (Revoked)

Part 3 Investment firms

Chapter 9 Application and conditions for authorisation

I Application, procedural rules and withdrawal

Section 9-1 *Authorisation to provide investment services and perform investment activities, as well as ancillary services*

(1) Investment services provided to third parties, and investment activities performed on a professional basis, may only be carried out by investment firms authorised to do so by Finanstilsynet, and by credit institutions authorised to provide such services and perform such activities under the Financial Institutions Act. The authorisation shall specify which investment services and ancillary services the undertaking may provide. The investment firm shall apply to Finanstilsynet for approval before it offers ancillary services beyond those specified in the authorisation.

(2) Authorisation pursuant to subsection (1) shall only be granted where the licensing authority deems that the conditions for providing investment services or performing investment activities in

sections 9-9 to 9-25 and sections 9-38 to 9-48 are met, and where the organisation of the firm and its relationship with parties with which it has close links is such that the investment firm can be supervised in an effective and satisfactory manner. 'Close links' means a situation as defined in the Financial Supervision Act section 3a second subsection with associated regulations.

(3) Services as mentioned in section 2-1 subsection (1) nos. 1 to 7 which are provided on a professional basis in connection with partnerships interests as defined in the General and Limited Partnerships Act section 1-2 subsection (1)(a), (b), (c) and (e) and interests in corresponding foreign partnerships, may only be provided by undertakings authorised to provide corresponding investment services under subsection (1).

(4) The provisions of chapters 9 and 10 and regulations pursuant thereto, with the exception of sections 9-32 and 9-33, shall apply equally to the provision of services as mentioned in subsection (3).

(5) The ministry may make regulations to supplement this section.

Section 9-2 *Systematic internalisation*

(1) Investment firms shall notify Finanstilsynet upon the commencement or cessation of systematic internalisation.

(2) The ministry may make regulations to supplement this section.

Section 9-3 *Exemption from the authorisation requirement*

(1) The authorisation requirement of section 9-1 and the other provisions of chapters 9 and 10 shall not apply to:

1. Norges Bank (the central bank of Norway),
2. National Insurance Scheme Fund,
3. authorities responsible for public debt management, and institutions established by two or more EEA states to provide financial assistance to members facing substantial economic problems,
4. mutual fund management companies,
5. insurance undertakings,
6. pension funds,
7. depositories of securities funds, pension funds and alternative investment funds,
8. central securities depositories (CSDs) with the exception of the provision of Article 73 of the Regulation on securities settlement and CSDs, see section 1-1 of the Central Securities Depositories Act,
9. managers of alternative investment funds.

(2) Subsection (1) shall apply equally to anyone who:

1. provides investment services in an incidental manner in the course of other professional activity regulated by law or by the profession itself,
2. provides investment services only to companies within the same group,

3. provides investment services only in the course of the administration of employee participation schemes,
4. provides investment services only as mentioned in nos. 2 and 3,
5. provides investment advice only in the course of performing another professional activity, provided that the provision of such advice is not specifically remunerated,
6. does not provide other investment services or perform other investment activities than trading on own account in financial instruments that are not commodity derivatives, emission allowances or derivatives thereof. The authorisation requirement under section 9-1 and the other provisions of chapters 9 and 10 shall nonetheless apply if the undertaking:

- (a) is a market maker,
- (b) is a member of or participant in a regulated market or an MTF, or has direct electronic access to a trading venue, see section 9-22, unless it is a non-financial entity that carries out transactions on a trading venue which are objectively measurable as reducing risks directly relating to the commercial activity or liquidity financing of the undertaking or undertakings in the same group,
- (c) engages in high-frequency algorithmic trading, see section 9-22, or
- (d) deals on own account when executing client orders,

7.

- (a) anyone who deals on own account, including market makers, in commodity derivatives or emission allowances or derivatives thereof, except for anyone who deals on own account when executing client orders,

or

- (b) anyone who provides investment services, except for trading on own account, in commodity derivatives or emission allowances or derivatives thereof, to the clients or suppliers of its main business, provided:

- (i) that this is, for each of these cases, at the individual level and at the aggregate level, an ancillary activity to their main business on a group basis, and that the main business can neither be considered the provision of investment services under Directive 2014/65/EU or banking activities under Directive 2013/36/EU, nor acting as market maker in relation to commodity derivatives,
- (ii) that these persons do not engage in high-frequency algorithmic trading, see section 9-22, and
- (iii) that these persons annually notify Finanstilsynet that they make use of this exemption, and upon request report to Finanstilsynet the basis on which they consider that their activity under (a) and (b) is ancillary to their main business,

8. anyone who is a transmission system operator as defined in Article 2(4) of Directive 2009/72/EC or Article 2(4) of Directive 2009/73/EC when the operator carries out its tasks, and any person acting as service provider on the operator's behalf to carry out the operator's tasks, under the said directives or under Regulation (EC) No. 714/2009 or Regulation (EC) No. 715/2009, or under rules or guidelines adopted pursuant to the said framework, and any operator or administrator of an energy balancing mechanism, a pipeline network or a system to

keep the supply of and demand for energy in balance. This exemption from the requirement of section 9-1 subsection (1) and the other provisions of chapters 9 and 10 shall apply to persons only where they perform investment activities or provide investment services relating to commodity derivatives for the purpose of carrying out tasks as mentioned in the first sentence. The authorisation requirement of section 9-1 and the other provisions of chapters 9 and 10 shall nonetheless apply to the operation of a secondary market, including a platform for trading in financial transmission rights in secondary markets,

9. anyone who is subject to the emission allowance system under the Greenhouse Gas Emission Trading Act, and who does not provide other investment services or perform other investment activities than trading on own account in emission allowances, unless such person subject to the emission allowance system executes client orders or engages in high-frequency algorithmic trading; see section 9-22,

10. anyone who only provides services as mentioned in section 9-1 subsection (3) to clients who undertake to commit a total investment amount corresponding to no less than NOK 5,000,000, or to professional clients referred to in section 10-6.

(3) The provisions of section 9-23 on algorithmic trading, section 9-24 on direct electronic access and section 9-25 on general clearing members shall nonetheless apply to members of or participants on a regulated market or an MTF who fall within the scope of the exemptions in subsection (1) no. 4, 5, 6 or 9, or subsection (2) no. 7 or 9.

(4) The ministry may make regulations to supplement this section.

Section 9-4 *Application of the Act to credit institutions*

(1) The following provisions do not apply to credit institutions authorised to provide one or more investment services or to perform investment activities:

1. section 9-6, section 9-7, section 9-9, section 9-10, section 9-11 subsection (2) nos. 1 to 5, and sections 9-12 to 9-15,
2. section 9-18 subsection (2) second sentence,
3. section 9-32 subsections (2) and (3), and section 9-33 subsections (2) and (3),
4. sections 9-39 to 9-49,
5. section 20-2.

(2) Section 9-38 does not apply to credit institutions which are banks, and which only provide investment services as mentioned in the Securities Trading Act section 2-1 subsection (1) no. 1 and no. 5, if the bank is a member of the Norwegian Banks' Guarantee Fund and does not handle clients' financial instruments or funds other than arranging settlement.

(3) The ministry may make regulations to supplement this section.

Section 9-5 *Application of the Act to the sale of, and advice relating to, structured deposits*

(1) The following provisions and regulations pursuant thereto shall apply to investment firms and credit institutions when they sell, or advise clients on, structured deposits:

1. section 9-11, section 9-16 subsection (1) nos. 1, 2, 6 and 8, section 9-19 and section 9-38,
2. sections 10-2 to 10-18 and sections 10-21 to 10-23,
3. chapters 19 to 21

(2) The ministry may make regulations to supplement this section.

Section 9-6 *Application for authorisation*

(1) Applications for authorisation shall state which of the services mentioned in section 2-1 the undertaking intends to provide. The application shall also include information showing that the statutory requirements of chapters 9 and 10 are met, and other information of significance for assessing whether authorisation should be granted. The licensing authorities may request further information.

(2) The undertaking's articles of association, programme of operations and internal organisational procedures as mentioned in section 9-16 to section 9-19 shall be enclosed with the application.

(3) Authorisation may only be given after consultation with the authorities of another EEA state where the applicant is:

1. a subsidiary of an investment firm or a credit institution authorised in another EEA state,
2. a subsidiary of a main undertaking for another investment firm or a credit institution authorised in another EEA state, or
3. controlled by the same natural persons or legal entities as control an investment firm authorised in another EEA state.

(4) The decision regarding authorisation shall be communicated to the applicant as soon as possible and at the latest six months after the application was received. If the application does not contain the information necessary to decide whether authorisation should be granted, the time limit runs from the date on which such information was received.

(5) The investment firm may commence business as soon as authorisation has been granted.

(6) The ministry may make regulations to supplement this section.

Section 9-7 *Modification and withdrawal of authorisation*

(1) Finanstilsynet may entirely or in part modify, set new conditions for or withdraw an authorisation to provide investment services or perform investment activities if the investment firm:

1. fails to use the authorisation within twelve months, expressly renounces the authorisation or has ceased to provide investment services or perform investment activities more than six months previously,
2. has obtained the authorisation by using incorrect information or by other irregular means,
3. no longer meets the conditions for the authorisation, including the requirements as to own funds,

4. has seriously or systematically infringed provisions laid down in or pursuant to law, thus giving reason to fear that continuation of the activity may harm the clients of the undertaking, confidence in the securities market or the institutions operating in the market, or
5. fails to comply with an order under section 19-7.

(2) Subsection (1) applies equally to authorisation granted under section 9-8.

(3) The ministry may make regulations to supplement this section.

Section 9-8 *Right of market operators to operate an MTF or organised trading facility*

The ministry may grant a market operator authorisation to operate an MTF or an OTF provided the operator meets the requirements of this Act.

II Conditions for authorisation

Section 9-9 *Form of organisation*

(1) Authorisation to provide investment services or perform investment activities may be granted to private limited companies or public limited companies.

(2) The company shall have its registered office and head office in Norway.

(3) The ministry may make regulations to supplement this section and by regulations make exceptions from the requirement as to form of organisation in subsection (1), and may if required make further provision concerning organisation of the business etc.

Section 9-10 *Requirements on the management of the firm*

(1) Board members, the general manager and others participating in the actual management of an investment firm shall at all times have sufficient qualifications and experience, be of good repute and otherwise not have displayed improper conduct giving reason to presume that the position or office will not be discharged in a satisfactory manner. Persons as mentioned in the first sentence shall submit an ordinary criminal record certificate pursuant to the Police Records Act section 40.

(2) Persons as mentioned in subsection (1) shall commit sufficient time to performing their duties in the investment firm. In assessing how many offices and positions a person may hold in addition to their office or position in the investment firm, account shall be taken of individual circumstances and the nature, scope and complexity of the investment firm's activities.

(3) Persons as mentioned in subsection (1) in an investment firm considered significant in terms of its size, internal organisation and the nature, scope and complexity of its activities, may only hold one of the following combinations of positions and offices at the same time:

1. one position as general manager combined with two non-executive directorships,
2. four non-executive directorships.

(4) Positions or offices in organisations which do not pursue predominantly commercial objectives are not taken into account for the purposes of subsection (3). Positions as general manager or non-executive directorships in undertakings within the same group, or in undertakings which are members of the same deposit insurance scheme, provided that the conditions of Article 113 no. 7 of Regulation (EU) No. 575/2013 are met, or undertakings in which the investment firm has a qualifying holding, see section 9-12, shall count as a single position or single office. Finanstilsynet may authorise persons as mentioned in subsection (3) to hold one additional non-executive directorship. Subsection (3) shall not apply to persons representing the State of Norway.

(5) The board of directors of the firm shall collectively possess broad experience and sufficient knowledge and skills to be able to understand the firm's business, including the main risk factors associated with the business.

(6) Board members shall act with honesty, integrity and independence of mind to effectively assess and monitor, and when needed challenge, the decisions of the firm's senior management. The board of directors, the general manager or others participating in the actual management may under no circumstance be of detriment to the effective, sound and prudent management of the firm or to the integrity of the market.

(7) Investment firms shall commit adequate resources to the training of persons as mentioned in subsection (1).

(8) Investment firms shall ensure a sufficiently broad set of qualifications and skills when recruiting persons as mentioned in subsection (1), and shall adopt guidelines to promote diversity in such recruitment.

(9) Investment firms shall notify Finanstilsynet of any changes to the composition of the board of directors and any change of general manager or others participating in the actual management of the business. The investment firm shall submit all information necessary to assess whether the investment firm meets the requirements of this section and section 9-11.

(10) The actual management of an investment firm shall be in the hands of at least two persons who meet the requirements in subsections (1) and (2). Finanstilsynet may by regulations or by individual decision make exceptions from the requirement of the first sentence.

(11) The chairperson of the board cannot serve as general manager of the firm unless satisfactory grounds are given by the firm and Finanstilsynet gives its approval.

(12) The ministry may make regulations to supplement this section.

Section 9-11 *Functions and responsibilities of the board of directors*

(1) The board of directors has overarching responsibility for the management of the investment firm and shall monitor the firm's activities. The board of directors shall ensure that the firm is organised and managed in an effective and prudent manner, including in a manner that avoids conflicts of interest, and promotes the integrity of the market and the interests of clients.

(2) The following principles shall underpin the board of directors' management and oversight of the investment firm:

1. The board of directors shall establish, and monitor the implementation of, the firm's strategic objectives, risk strategy and internal governance arrangements.
2. The board of directors shall ensure that the systems for accounting and financial reporting are robust, inspire confidence and are in accordance with laws, regulations and relevant standards.
3. The board of directors shall monitor publication and communication processes.
4. The board of directors shall supervise the firm's senior management effectively.
5. The board of directors shall establish and monitor the organisation of the firm's business, including the resources, procedures and systems for the firm's performance of its activities and provision of services, as well as employee qualification requirements, taking account of the nature, scope and complexity of the firm's business and the requirements applicable to the firm.
6. The board of directors shall establish and monitor strategies for the firm's performance of its activities and provision of services, taking account of the firm's risk tolerance, as well as the clients and their needs, and including carrying out stress testing whenever needed.
7. The board of directors shall establish and monitor a remuneration strategy for employees involved in the provision of services to clients, in order to promote responsible business conduct and equitable treatment of clients, as well as to avoid conflicts of interest.

(3) The board of directors shall monitor and periodically assess the effectiveness of the investment firm's governance arrangements, as well as assess the adequacy and the implementation of the firm's strategic objectives and strategies for the performance of the firm's activities, including the services provided to the clients of the firm. The board of directors shall take appropriate steps to address any deficiencies.

(4) The board members shall have adequate access to information and documents they need to monitor decisions made by the firm's senior management.

(5) The ministry may make regulations to supplement this section.

(6) The ministry may make regulations on nomination committees.

Section 9-12 *Ownership structure etc.*

(1) Anyone with a qualifying holding in an investment firm shall be fit to ensure sound and prudent management of the firm.

(2) 'Qualifying holding' means a holding representing ten per cent or more of the capital or the voting rights of the investment firm, or otherwise making it possible to exercise significant influence over the management of the firm and its activities. Any holdings of a person's related parties within the meaning of section 2-5 shall be deemed equivalent to such person's own holdings.

(3) In the calculation of a qualifying holding, account shall not be taken of any holdings or voting rights acquired by a credit institution or an investment firm as a result of providing investment services or investment activities specified in section 2-1 subsection (1) no. 6, provided that these are not used to exert any influence over the firm and are disposed of within one year of acquisition.

(4) The ministry may make regulations to supplement this section.

Section 9-13 *Notification of the acquisition of holdings in investment firms etc.*

(1) Any natural person or legal entity, or such persons or entities acting in concert, who has decided to acquire, directly or indirectly, a qualifying holding in an investment firm, shall notify Finanstilsynet accordingly in writing. The same applies to any direct or indirect acquisition that would result in such qualifying holding being increased such as to reach or exceed 20, 30 or 50 per cent, respectively, of the capital or the voting rights of the investment firm, or such holdings giving decisive influence as referred to in the Private Limited Companies Act section 1-3 over the investment firm. Section 9-12 subsection (3) applies.

(2) Any acquisition falling within the scope of subsection (1) can only be implemented after authorisation has been given by Finanstilsynet.

(3) Any notification pursuant to subsection (1) shall specify the size of the holding it is aimed to acquire, and any information necessary to carry out a suitability assessment pursuant to section 9-15.

(4) Anyone who has decided to dispose of a qualifying holding or to reduce it so that the holding would fall below any of the thresholds mentioned in subsection (1) shall notify Finanstilsynet accordingly in writing.

(5) An investment firm shall notify Finanstilsynet without undue delay if it becomes aware of any acquisition whereby someone has acquired or acquires a qualifying holding in the firm. The same applies to any acquisition whereby a holding will reach or exceed the thresholds specified in subsection (1). The notification obligation also applies upon the disposal of qualifying holdings or any disposal whereby the thresholds specified in subsection (1) are reached or crossed.

(6) Investment firms shall at least once a year provide Finanstilsynet with a specification of owners of qualifying holdings.

(7) The ministry may make regulations to supplement this section.

Section 9-14 *Procedural deadlines etc.*

(1) Finanstilsynet shall immediately, and no later than two working days after receipt of notification pursuant to section 9-13 subsection (1), confirm receipt thereof in writing to the acquirer. The same applies after receipt of information laid down in subsection (3).

(2) Finanstilsynet shall assess the notification within 60 working days, reckoned from the date on which Finanstilsynet confirmed receipt of the notification and the information laid down in section 9-3 subsection (3). Finanstilsynet shall upon confirming receipt pursuant to subsection (1) inform the acquirer concerned of the date of expiry of the assessment period.

(3) If Finanstilsynet has made a written request for additional information no later than on the 50th working day of the assessment period, the period laid down in subsection (2) shall be interrupted pending receipt of the response of the acquirer. Such interruption shall not exceed

20 working days. Finanstilsynet may request further information than that referred to in the first sentence, but this may not result in any further interruption of the assessment period.

(4) Finanstilsynet may extend the interruption laid down in subsection (3) by up to 30 working days if the acquirer is residing in, or governed by the legislation of, a state outside the EEA, or if the acquirer is not subject to supervision under either the Securities Funds Act, the Financial Institutions Act or this Act.

(5) If Finanstilsynet does not oppose the planned acquisition in writing by the expiry of the period referred to in subsection (2), cf. subsections (3) and (4), Finanstilsynet shall be deemed to have authorised the acquisition of the holding stated in the notification to Finanstilsynet under section 9-13 subsection (1).

(6) Finanstilsynet may fix a maximum period for completion of the acquisition.

(7) The ministry may make regulations to supplement this section.

Section 9-15 *Suitability assessment upon acquisition etc.*

(1) In deciding whether to grant authorisation pursuant to section 9-13 subsection (2), Finanstilsynet shall assess whether the acquirer is suitable, and whether the acquisition of the holding is financially sound. The purpose is to ensure the sound and prudent management of the investment firm, and the likely influence of the acquirer on the investment firm shall be taken into account. In its assessment of the acquisition, Finanstilsynet shall consider the following aspects:

1. the acquirer's reputation,
2. the reputation and experience of persons who after the acquisition will form part of the board of directors or other senior management of the investment firm's business,
3. the acquirer's financial soundness, in particular in relation to the types of activity the firm is engaged in or can be expected to engage in after the acquisition,
4. whether the investment firm will remain in a position to comply with supervisory requirements pursuant to this Act and other relevant financial regulatory provisions, in particular whether the group of which the firm will become a part after the acquisition is organised in such a way as to enable it to exercise effective supervision, as well as effective information exchange and allocation of supervisory responsibilities between affected supervisory authorities, and
5. whether there are grounds to assume that, in connection with the acquisition, money laundering or terrorist financing is being committed or attempted, or that the acquisition will increase the risk thereof.

(2) Authorisation pursuant to section 9-13 subsection (2) can only be withheld if Finanstilsynet finds that there are reasonable grounds for doubting the acquirer's suitability or the financial soundness of the acquisition of the holding, see subsection (1), or if the notification obligation has not been complied with or information provided by the acquirer is incomplete or incorrect.

(3) The ministry may make regulations to supplement this section.

Section 9-16 *General requirements on the organisation of the business*

(1) An investment firm shall organise its business in the following manner:

1. The firm shall have in place adequate and satisfactory policies, procedures and control mechanisms to ensure compliance by the firm and its managers, employees and tied agents with their obligations pursuant to law and regulations.
2. The firm shall be structured and organised in such a way as to minimise the risk of conflicts of interest between the firm and its clients, or between the clients of the firm, see section 10-2.
3. The firm shall take reasonable steps to ensure continuity and regularity in investment services activities, including having necessary systems, resources and procedures.
4. The firm shall take satisfactory measures to minimise operational risk when it utilises a third party to perform operational functions; see subsection (2).
5. The firm shall have effective control and security arrangements for information processing systems, sound administrative and accounting procedures, satisfactory internal governance arrangements and effective risk assessment procedures, as well as job instructions which specifically regulate the division of responsibilities between the general manager and other managers in the firm.
6. The firm shall have in place satisfactory internal guidelines, procedures and control mechanisms for personal transactions executed by the firm's managers, employees and tied agents.
7. The firm shall have in place systems ensuring reliable and correct information transmission and ensuring that the information is at all times kept confidential, as well as reducing the risk of data corruption, information leakage and other unlawful access to the information.
8. The firm shall ensure documentation of all investment services and all investment activities, including all executed transactions, which shall at minimum be sufficiently comprehensive to enable Finanstilsynet to verify compliance with the rules within Finanstilsynet's area of responsibility. Such documentation shall be retained for at least five years, or for a longer period if so decided by Finanstilsynet.
9. The firm shall have in place internal instructions for the employees' right to be a member of the board of directors, corporate assembly or enterprise assembly or wield such influence in companies as mentioned in the Private Limited Companies Act section 1-3, subsection (2). Such instructions shall also encompass board members who wield such influence in the investment firm as mentioned in the Private Limited Companies Act section 1-3, subsection (2). Corresponding instructions shall be drawn up for cases where exemption is granted pursuant to section 10-4 subsection (2).
10. The firm shall have in place policies and procedures for the calculation and payment of performance-related remuneration.

(2) Investment firms which outsource functions may not leave important operational functions to a third party if as a result:

1. the firm's internal controls and its ability to ensure compliance with its obligations is appreciably impaired, or
2. Finanstilsynet's scope for supervising the business is appreciably impaired or impeded.

(3) The board of directors and the general manager shall draw up internal guidelines and instructions in accordance with subsection (1).

(4) The ministry may by regulations make further provision concerning remuneration arrangements in investment firms. The provisions of the Financial Institutions Act sections 15-1 to 15-5 apply.

(5) The ministry may make regulations to supplement this section.

Section 9-16(a) *Guidelines for active share ownership*

(1) An investment firm that provides portfolio management services shall have guidelines for active ownership of shares admitted to trading on a regulated market that is situated, or operates, in the EEA, or an explanation of why the investment firm does not have such guidelines.

(2) The guidelines or the explanation shall be available free of charge on the investment firm's website. If the investment firm does not have its own website, the guidelines or the explanation shall be kept available on another website.

(3) The investment firm shall each year publicly disclose how the guidelines have been implemented.

(4) The ministry may make regulations regarding guidelines for active ownership.

(Not yet in force)

Section 9-17 *Telephone conversations and electronic communications*

(1) Documentation pursuant to section 9-16 subsection (1) no. 8 shall include recording of all telephone conversations and retention of all electronic communications relating to the provision of investment services and the performance of investment activities as mentioned in section 2-1 subsection (1) nos. 1 to 7. The documentation shall also include conversations and communications intended to result in the provision of investment services or the performance of investment activities.

(2) In order to meet the requirements of subsection (1), the investment firm shall take all reasonable measures to record and retain relevant telephone conversations and electronic communications made with, sent from or received by equipment provided by the investment firm to an employee or subcontractor, or the use of which by an employee or subcontractor is accepted or permitted by the investment firm. The investment firm shall also take all reasonable steps to prevent an employee or subcontractor from making, sending or receiving relevant telephone calls and electronic communications on privately-owned equipment which the investment firm is unable to record or copy.

(3) The investment firm shall inform its clients that telephone conversations or electronic communications between the investment firm and its clients will be recorded and retained. The investment firm may not, by telephone or electronic communications, provide investment services to or perform investment activities for clients who have not received information in accordance with the

first sentence. Such information may be given once in advance of the provision of investment services or the performance of investment activities.

(4) Conversations or communications as mentioned in subsection (1) which are not conducted via telephone or electronically shall be documented in a durable medium. Such conversations from face-to-face meetings shall be recorded in written minutes or notes.

(5) The documentation pursuant to this section shall be retained for at least five years, or for a longer period if so decided by Finanstilsynet, and shall upon request be made available to the affected client.

(6) The ministry may make regulations to supplement this section.

Section 9-18 *Client funds and collateral arrangements etc.*

(1) Investment firms shall take satisfactory measures to keep the client's financial instruments separate from the firm's financial instruments. Investment firms may only utilise the client's financial instruments on own account where the client has explicitly consented to this.

(2) Investment firms shall take satisfactory measures to keep client funds separate from the firm's funds. Investment firms may not utilise client funds for the firm's own account.

(3) An investment firm shall not conclude title transfer financial collateral agreements with retail clients with a view to securing or covering the client's present or future obligations.

(4) The ministry may impose further requirements on the safeguarding of client's financial instruments and client funds, as well as make supplementary regulations to this provision.

Section 9-19 *Product management*

(1) An investment firm which manufactures financial instruments for sale to clients shall maintain an appropriate process for the approval of each financial instrument and significant adaptations of an existing financial instrument before it is marketed or distributed to clients. As part of the product approval process the firm shall identify a target group of end clients for each financial instrument, ensure that all relevant risks to the target group are assessed, and that the financial instrument and the distribution strategy meet the requirements of section 10-9 subsection (2).

(2) An investment firm shall also regularly review the financial instruments offered or marketed by the firm. The investment firm shall, in conducting such review, take into account any events that could materially affect the potential risk to the identified target group, and assess whether the financial instrument remains consistent with the needs of the target group, and whether the firm's distribution strategy remains appropriate.

(3) An investment firm which manufactures financial instruments shall make available to any distributors all relevant information on each financial instrument and the approval process under subsection (1), including information on the identified target group.

(4) Where an investment firm offers or recommends financial instruments which it has not itself manufactured, the investment firm shall have in place suitable procedures and systems for obtaining

information as mentioned in subsection (3). The investment firm shall ensure that relevant employees understand the characteristics of each financial instrument and the identified target group for the instrument.

(5) The ministry may make regulations to supplement this section.

Section 9-20 *Processing of complaints*

The ministry may by regulations make provision regarding the processing of complaints.

Section 9-21 *Branches*

(1) An investment firm shall notify Finanstilsynet before establishing a branch in Norway. The branch shall have a manager who meets the requirements in section 9-10 subsection (1).

(2) Investment firms that are authorised to provide investment services may provide such services in another EEA member state under the rules of section 9-33.

(3) Investment firms may, subject to authorisation from Finanstilsynet, establish branches or subsidiaries outside the EEA.

(4) The ministry may make regulations to supplement this section.

Section 9-22 *Definitions of algorithmic trading and direct electronic access*

(1) 'Algorithmic trading' means trading in financial instruments where a computer algorithm automatically, with limited or no human intervention, determines individual parameters of an order, including whether to initiate the order, the timing, price or quantity of the order, or how to manage the order after its submission. The term does not include any system that is only used for the purpose of routing orders to one or more trading venues for the processing of orders without determination of any trading parameters, or for the confirmation of orders or the post-trade processing of executed transactions.

(2) 'High-frequency algorithmic trading' means algorithmic trading characterised by:

1. infrastructure intended to reduce latencies, including at least one of the following systems for algorithmic order entry: co-location, proximity hosting services or high-speed direct electronic access,
2. system determination of order initiation, generation, routing or execution without human intervention for individual trades or orders, and
3. large volumes of orders, quotes or cancellations on each trading day.

(3) 'Direct electronic access' means an arrangement where a member, participant or client of a trading venue permits a person to use its trading code so that the person can transmit electronic orders relating to a financial instrument directly to the trading venue, including arrangements which involve a person using the member's, the participant's or the client's infrastructure, or other connecting system provided by the member, the participant or the client, to transmit the orders

(direct market access), and other arrangements where such an infrastructure is not used (sponsored access).

(4) The ministry may make regulations to supplement this section.

Section 9-23 *Algorithmic trading*

(1) An investment firm that engages in algorithmic trading shall have in place effective systems and risk controls suitable to its business to ensure that the firm's trading systems are resilient, have sufficient capacity and are subject to appropriate trading thresholds and limits. Such systems and controls shall also prevent the sending of erroneous orders or the systems creating or contributing to a disorderly market. The investment firm shall also have effective systems and risk controls which ensure that the trading systems cannot be used for any purpose that is contrary to the provisions of chapter 3 or the rules of a trading venue to which the firm is connected.

(2) An investment firm that engages in algorithmic trading shall have in place effective contingency plans and systems to deal with any failure of its trading systems and shall ensure that the system is fully tested and satisfactory monitored to ensure that it meets the requirements of this provision.

(3) An investment firm that engages in algorithmic trading shall notify this to Finanstilsynet and the national supervisory authority of the trading venue where the investment firm is a member or participant and engages in algorithmic trading.

(4) The investment firm shall document its algorithmic trading strategies, trading parameters and limits, the key compliance and risk controls introduced to ensure that the conditions of subsection (1) are met and details of the testing of its systems. The documentation shall be sufficient to enable Finanstilsynet to verify compliance with the requirements of this Act. Finanstilsynet may at any given time request the firm to make available such documentation and additional information on the firm's algorithmic trading and the systems used for such trading.

(5) An investment firm that engages in high-frequency algorithmic trading shall store accurate and time sequenced records of all placed orders, including cancelled orders, executed orders and quotations on trading venues in an approved format, and shall make them available to Finanstilsynet upon request.

(6) An investment firm that engages in algorithmic trading as part of a market making strategy shall, taking account of the liquidity, scale and nature of the specific market and the characteristics of the instrument traded, carry out this market making continuously during a specified proportion of the trading venue's trading hours, except under special circumstances, with the result of providing the trading venue with liquidity on a regular and predictable basis. The investment firm shall enter into a written agreement with the trading venue which shall at least specify the investment firm's obligations pursuant to the first sentence, and shall have in place effective systems and controls to ensure that the firm fulfils its obligations under the agreement at all times.

(7) An investment firm shall be considered to be pursuing a market making strategy within the meaning of subsection (6) if the firm deals on own account as a member or participant of one or more trading venues, and its strategy involves posting firm, simultaneous two-way quotes of

comparable size and at competitive prices relating to one or more financial instruments on a single trading venue or across different trading venues, with the result of providing liquidity on a regular and frequent basis to the overall market.

(8) The ministry may make regulations to supplement this section.

Section 9-24 *Direct electronic access*

(1) An investment firm that provides direct electronic access to a trading venue shall have in place effective systems and controls which ensure:

1. a proper assessment and review of the suitability of clients that are granted access,
2. that clients granted access are prevented from exceeding appropriate pre-set trading and credit thresholds,
3. that trading by clients using the service is properly monitored, and
4. that appropriate risk controls prevent trading that may create risks to the investment firm or a disorderly market or be contrary to the provisions of chapter 3 or the rules of the trading venue.

(2) An investment firm that provides direct electronic access shall ensure that clients granted such access comply with the rules of the trading venue and the requirements of this Act with the exception of chapters 3 to 8 and chapter 13. The investment firm shall monitor the transactions in order to be able to identify infringements of the said rules, disorderly trading conditions or conduct that may involve market abuse and that is to be reported to Finanstilsynet. The investment firm shall ensure that there is a written agreement with clients that are granted direct electronic access. The agreement shall encompass the key rights and obligations arising from the provision of the service, and it shall state that under the agreement the investment firm retains responsibility under this Act.

(3) An investment firm that provides direct electronic access to a trading venue shall notify Finanstilsynet and the supervisory authority of the trading venue at which the firm provides direct electronic access accordingly.

(4) The investment firm shall document the systems and controls referred to in this section and provide evidence that they have been applied in such a way as to enable Finanstilsynet to verify compliance with the requirements of this Act. Finanstilsynet may at any given time request the firm to make such documentation available.

(5) The ministry may make regulations to supplement this section.

Section 9-25 *General clearing member*

(1) An investment firm acting as a general clearing member for a client shall have in place effective systems and controls to ensure that clearing services are only offered to clients that are suitable and meet clearly defined criteria, and that appropriate requirements are imposed on those clients to reduce risks to the investment firm and the market. The investment firm shall ensure that there is a written agreement with the client on the key rights and obligations associated with the clearing service.

(2) The ministry may make regulations to supplement this section.

III Special requirements applicable to MTFs and OTFs

Section 9-26 *The trading process and finalisation of transactions in MTFs and OTFs*

(1) The operator of an MTF or an OTF shall:

1. have transparent rules and procedures for fair and orderly trading, and establish objective criteria for the efficient execution of orders, and have arrangements for the sound management of the technical operation of the facility, including contingency plans and systems to cope with the risk of systems disruption,
2. have transparent and duly published rules on which financial instruments can be traded under the system, and ensure access to sufficient publicly available information to enable users to make an informed investment judgement, taking into account the nature of the user and the type of financial instrument,
3. have transparent and non-discriminatory rules, based on objective criteria, governing access to its facility,
4. have arrangements to identify and manage potential adverse consequences for the operation of the facility or for its participants or users, of any conflicts of interest between, on the one hand, the facility, the operator or its owners and, on the other hand, the sound functioning of the facility,
5. comply with the requirements of sections 11-19 to 11-24 and section 11-26, and have in place all necessary systems, procedures and arrangements to do so,
6. clearly inform its participants of their responsibility for settlement and ensure the facilitation of efficient and punctual settlement of transactions executed under the trading system of the facility,
7. have at least three active users or participants that can participate in price formation,
8. immediately comply with any order from Finanstilsynet to suspend or remove a financial instrument from trading; see section 9-30.

(2) Where a transferable security that has been admitted to trading on a regulated market is traded on an MTF or an OTF without the issuer's consent, the issuer shall not be subject to any disclosure obligation as the result of the trading on such facility.

(3) An MTF and an OTF shall upon application for authorisation provide Finanstilsynet with a detailed description of the functioning of the facility, including any links to or participation by a regulated market, another multilateral trading facility or organised trading facility or a systematic internaliser owned by the operator, and a list of their participants and users.

(4) The ministry may make regulations to supplement this section.

Section 9-27 *Specific requirements for MTFs*

(1) The operator of an MTF shall have in place non-discretionary trading rules for the execution of orders under the facility's systems.

(2) The provisions of section 9-26 subsection (1) no. 3 on access to the facility shall be in accordance with section 12-4 subsection (3).

(3) The operator of an MTF shall:

1. take necessary steps to manage the risks to which the facility is exposed, establish appropriate arrangements and systems to identify all significant risks to its operation and put in place effective measures to mitigate those risks,
2. ensure the facilitation of efficient and timely finalisation of transactions executed under the facility's systems,
3. at all times have access to sufficient financial resources to facilitate the sound functioning of the facility, having regard to the nature and extent of transactions executed on the facility, and the range and degree of the risks to which the facility is exposed.

(4) The requirements of sections 10-9 to 10-18, section 10-19 subsection (10), section 10-20 subsection (1) and section 10-21 shall not apply to transactions concluded between the participants of the MTF, or between the facility and its participants, under the rules governing such facility and when using the facility's systems. The requirements of sections 10-9 to 10-21 shall nonetheless apply to the participants' clients when they execute, on behalf of clients, orders via the MTF.

(5) The operator of an MTF may not execute orders against proprietary capital or by matched principal trading. 'Matched principal trading' means a transaction where the facilitator of the transaction interposes itself between the buyer and the seller and executes both sides of the transaction simultaneously without exposing itself to market risk, and where the pricing of the transaction is such that the facilitator makes no profit or loss, other than an agreed commission, fee or charge for the transaction.

(6) The ministry may make regulations to supplement this section.

Section 9-28 *Specific requirements for OTFs*

(1) The operator of an OTF shall take necessary steps to prevent the execution of orders placed on the facility against the operator's proprietary capital or against the holdings of a company in the same group.

(2) The operator of an OTF may execute orders by matched principal trading, see section 9-27 subsection (5), in bonds, structured finance products, emission allowances and derivatives that are not subject to a clearing obligation under EMIR Article 5 as implemented in section 17-1, provided that the client consents thereto. The operator shall establish arrangements ensuring compliance with the definition of matched principal trading; see section 9-27 subsection (5).

(3) The operator of an OTF may only engage in dealing on own account other than matched principal trading, see section 9-27 subsection (5), in government bonds for which there is not a liquid market.

(4) 'Liquid market' means a market for a financial instrument or a class of financial instruments, where there are ready and willing buyers at all times. In the assessment of whether a market is liquid, specific market structures for each financial instrument or each class of financial instruments shall be taken into consideration, and the assessment shall be based on the following criteria:

1. the average frequency and size of transactions over a range of market conditions, having regard to the nature and lifecycle of the products within the class of financial instruments concerned,

2. the number and type of market participants, including the ratio of market participants to traded instruments in a particular product, and
3. the average bid-ask spread, where available.

(5) An OTF and a systematic internaliser may not be operated in the same legal entity. Nor may an OTF connect with a systematic internaliser in a way which allows orders in the facility and orders or quotes in the systematic internaliser to be matched. An OTF may not connect with another organised trading facility in a way which allows orders in the two facilities to be matched.

(6) The operator of an OTF shall exercise discretion only in either or both of the following circumstances:

1. when deciding to place or retract an order on the facility,
2. when deciding not to match a specific client order with other orders available in the facility's systems at a given time, provided it is in accordance with instructions received from the client and in accordance with its obligations under sections 10-19 and 10-20.

(7) The operator of an OTF may decide if, when and how much of two or more orders to match in the system. The operator may facilitate negotiation between two clients with a view to bringing about a transaction.

(8) Finanstilsynet may require the operator of an OTF, either in connection with the application for authorisation or whenever needed, to provide a detailed explanation of why the trading system of the facility is not considered a regulated market, an MTF or a systematic internaliser. A detailed description shall be provided as to how discretion will be exercised, including when an order will be retracted and when and how two or more orders will be matched within the facility. In addition, the operator shall provide information on its use of matched principal trading.

(9) The ministry may make regulations to supplement this section.

Section 9-29 *Monitoring of compliance with the rules of MTFs and OTFs*

(1) The operator of an MTF or an OTF shall establish effective arrangements and procedures to ensure regular monitoring of users' compliance with the facility's own rules. The operator of the facility shall monitor orders sent, cancellations of orders and transactions undertaken under the facility's systems in order to identify infringements of relevant laws and rules, including the market abuse provisions in chapter 3, the facility's own rules and other disorderly trading conditions, as well as system disruptions in relation to a financial instrument. The operator of the facility shall deploy the resources necessary to ensure that the monitoring is effective.

(2) The operator of an MTF or an OTF shall immediately notify Finanstilsynet of any suspicion of significant infringements of relevant laws and rules, including the market abuse provisions in chapter 3, the facility's own rules and other unlawful trading conditions, as well as trading system disruptions in relation to a financial instrument.

(3) The operator of an MTF or an OTF shall assist Finanstilsynet in case of any suspicion of market abuse; see chapter 3. The assistance shall be provided at no cost to Finanstilsynet.

(4) The ministry may make regulations to supplement this section.

Section 9-30 *Suspension and removal of financial instruments from trading*

(1) The operator of an MTF or organised trading facility may suspend or remove from trading on the facility a financial instrument which no longer complies with the facility's conditions or rules. However, this shall not apply if suspension or removal of the instrument would be likely to cause significant detriment to the holders of the instrument or the facility's tasks and functioning.

(2) Upon suspension or removal of a financial instrument, the operator of the MTF or organised trading facility shall also suspend or remove any derivatives that have the relevant financial instrument as underlying where necessary to support the intention behind the suspension or removal of the underlying financial instrument.

(3) Anyone suspending or removing a financial instrument from trading shall immediately publish the decision and inform Finanstilsynet accordingly.

(4) Finanstilsynet shall require marketplaces and systematic internalisers which trade the relevant financial instrument to suspend or remove the instrument from trading, where the suspension or removal is grounded in a takeover bid, suspected market abuse or the non-disclosure of inside information about the issuer or the financial instrument infringing Articles 7 and 17 of the Market Abuse Regulation, see section 3-1, except where this may cause significant detriment to the holders of the instrument or the functioning of the facility. Finanstilsynet shall immediately publish the decision and inform the European Securities and Markets Authority and relevant supervisory authorities in other EEA states accordingly.

(5) Finanstilsynet may decide that the operator of an MTF or an OTF shall suspend or remove a financial instrument from trading on the facility pursuant to subsections (1) and (2) if it no longer complies with the conditions for admission to trading.

(6) The ministry may make regulations to supplement this section.

Section 9-30(a) *Case processing etc.*

The ministry may make by regulations make provisions to the effect that section 12-2 subsection (7), section 12-4 subsection (8) and sections 12-8 to 12-10 shall in whole or in part apply in adapted form to operators of MTFs and OTFs. The ministry may by regulations make provisions concerning case processing in respect of decisions taken by operators of MTFs and OTFs and provisions in respect of appeal, setting aside of decisions and appeal schemes for such decisions, including to the effect that section 12-11 on an appeal board shall apply with equal effect.

IV Growth market for small and medium-sized enterprises (SMEs)

Section 9-31 *Growth market for SMEs*

(1) Finanstilsynet may upon application from the operator of an MTF register the MTF as an SME growth market.

(2) 'SMEs' means, for purposes of this provision, enterprises that have an average market capitalisation of less than the equivalent of EUR 200 million in Norwegian kroner, calculated on the basis of end-year quotes for the previous three calendar years.

(3) Registration as an SME growth market may only take place provided:

1. at least 50 per cent of the issuers whose financial instruments are admitted to trading on an MTF are SMEs at the time when the MTF is registered as an SME growth market and in any calendar year thereafter,
2. appropriate criteria are set for admission of financial instruments of issuers to trading on the market and their ongoing obligations,
3. sufficient information is published prior to admission to trading to enable investors to make an informed judgement about whether or not to invest in the financial instruments, either in an appropriate admission document or a prospectus if the requirements of chapter 7 are applicable in respect of a public offer,
4. appropriate ongoing periodic financial reports are published by or on behalf of an issuer on the market,
5. issuers on the market as defined in point (2) of Article 3(1) of Regulation (EU) No. 596/2014, persons discharging managerial responsibilities as defined in point (25) of Article 3(1) of the Regulation, and persons closely associated with them as defined in point 26 of Article 3(1) of the said Regulation, comply with relevant requirements under the Regulation,
6. required information concerning the issuers on the market is stored and disseminated to the public,
7. effective systems and controls are introduced to prevent and detect market abuse on that market in accordance with the requirements of chapter 3.

(4) Finanstilsynet may deregister an MTF as a growth market for SMEs if the investment firm or the market operator operating the MTF applies for deregistration, or the MTF no longer meets the requirements of subsection (3).

(5) A financial instrument admitted to trading on one SME growth market may be traded on another SME growth market only where the issuer has been informed and has not objected. The issuer shall not be subject to any obligation relating to corporate governance or disclosure with regard to the latter growth market.

(6) The ministry may make regulations to supplement this section.

V Cross-border activity and establishment of a branch in another EEA state

Section 9-32 *Notification of activities in another EEA state*

(1) An investment firm intending to provide investment services or perform investment activities, as well as ancillary services, directly from a place of business in Norway to another EEA state, shall notify Finanstilsynet accordingly.

(2) The notification shall include the following information:

1. the EEA state in which the firm intends to engage in business activities (the host state), and
2. a programme of operations describing which investment services, investment activities and ancillary services the firm intends to provide. If the investment firm intends to use tied agents established in Norway, the firm shall provide relevant information, including the identity of the tied agents.

(3) Finanstilsynet shall forward the notification to the supervisory authority of the host state within one month of the receipt of a complete notification as mentioned in subsection (1), including on the use of tied agents and their identity. Finanstilsynet shall immediately give the investment firm notice that this has been forwarded. The investment firm may start its business activities once such notice has been received.

(4) An investment firm or market operator operating an MTF or an OTF, and intending to engage in such activity in another EEA state, shall notify Finanstilsynet accordingly. The notification shall indicate the EEA state in which the undertaking intends to carry on activities. Finanstilsynet shall forward the notification to the supervisory authority of the host state within one month of receiving it. Finanstilsynet shall, upon request and within a reasonable period, forward to the supervisory authority of the host state information on the identity of the MTF's remote participants established in the host state.

(5) Credit institutions intending to provide services as mentioned in subsection (1) via tied agents established in Norway shall notify Finanstilsynet accordingly. The notification shall indicate the identity of the tied agents. Finanstilsynet shall forward the notification to the supervisory authority of the host state within one month of receiving it.

(6) The undertaking shall give Finanstilsynet written notice of any changes to the information mentioned in subsections (2), (4) and (5) at least one month before implementing the change. Finanstilsynet shall inform the supervisory authority of the host state of that change.

(7) The ministry may make regulations to supplement this section.

Section 9-33 Notification of the establishment of a branch or the use of tied agents established in another EEA state

(1) An investment firm intending to provide investment services or perform investment activities, as well as ancillary services, in another EEA state through the establishment of a branch, or by using tied agents established in another EEA state, shall notify Finanstilsynet accordingly.

(2) The notification shall include the following:

1. the EEA state in which the firm intends to establish a branch or intends to use tied agents established there without establishing a branch (the host state),
2. a programme of operations describing the services or the investment activities to be provided,
3. a description of the organisational structure of the branch, including whether the branch intends to use tied agents established in the host state and, if applicable, the identity of those tied agents,

4. a description of the intended use of tied agents and the organisational structure, showing how the agents fit into the corporate structure of the investment firm, including reporting lines, if the firm uses tied agents established in the host state and has not established a branch,
5. the address in the host state where documents may be obtained,
6. the names of individuals constituting the management of the branch or the tied agent.

(3) Finanstilsynet shall forward the notification to the supervisory authority of the host state within three months of the receipt thereof and notify the investment firm accordingly. Finanstilsynet shall also forward information on any compensation scheme whose purpose is to protect clients of the branch. As soon as the investment firm has received notification from the supervisory authority of the host state, the branch may be established and commence business. The same shall apply if the investment firm has not received notification from the supervisory authority of the host state within two months of having been notified by Finanstilsynet.

(4) Credit institutions intending to provide services as mentioned in subsection (1) via tied agents established in another EEA state, shall notify Finanstilsynet accordingly. The notification shall include information referred to in subsection (2).

(5) Forwarding to the supervisory authority of the host state pursuant to subsections (3) and (4) shall not take place if Finanstilsynet has reason to doubt the adequacy of the administrative structure or financial situation of the investment firm, taking into account the activities planned. Finanstilsynet shall in such case inform the investment firm of the grounds for its decision within three months of Finanstilsynet's receipt of all information in the matter.

(6) The undertaking shall give Finanstilsynet written notice of any changes to the information mentioned in subsections (2) and (4) at least one month before implementing the change. Finanstilsynet shall inform the supervisory authority of the host state of that change.

(7) Finanstilsynet shall notify the supervisory authority of the host state if any changes are made to information communicated in relation to any compensation scheme whose purpose is to protect clients of the branch.

(8) The ministry may make regulations to supplement this section.

Section 9-34 *Activities in Norway of undertakings with their head office in another EEA state*

(1) Investment firms and credit institutions with their head office in another EEA state (the home state) may provide investment services and perform investment activities in Norway in the following manner:

1. directly from a place of business in the home state, also through the use of tied agents established in the home state, or
2. through the establishment of a branch or the use of tied agents established in Norway.

(2) Undertakings referred to in (1) must have authorisation to provide such investment services and be subject to supervision in the home state. The undertaking may only provide ancillary services together with investment services or investment activities.

(3) The undertaking may provide the relevant investment services and perform investment activities in Norway pursuant to subsection (1) no. 1 once Finanstilsynet has received notification from the supervisory authority in the home state.

(4) Finanstilsynet shall, within two months of Finanstilsynet having received notification from the supervisory authorities in the home state of the establishment of a branch or the use of tied agents pursuant to subsection (1) no. 2, confirm to the undertaking that the notification has been received. The branch may be established once Finanstilsynet has given such confirmation or, at the latest, two months after Finanstilsynet has received the notification.

(5) If an investment firm with its head office in another EEA state uses a tied agent established in Norway, such agent is deemed to be tied to the branch if a branch has been established. The tied agent is in any event subject to provisions corresponding to those applicable to branches under this Act. Section 10-22 shall apply equally to the tied agent.

(6) The ministry may make regulations to supplement this section.

Section 9-35 Application of the Securities Trading Act to a branch or Norwegian tied agent of an investment firm with its head office in another EEA state

(1) Sections 10-9 to 10-22, Articles 14 to 26 of the Markets in Financial Instruments Regulation and regulations pursuant thereto, as well as chapter 20 and 21, shall apply to undertakings with their head office in another EEA state which provide investment services or perform investment activities in Norway through a branch or tied agent established in Norway; see section 9-34 subsection (1) no. 2.

(2) The ministry may grant exemption from this section where the activities are limited, or where the firm's activities are governed by corresponding provisions laid down by the authorities in the home state of the undertaking.

(3) The ministry may make regulations to supplement this section.

VI Undertakings with their head office outside the EEA

Section 9-36 Establishment of a branch by undertakings with their head office outside the EEA

(1) Third country undertakings may be authorised by Finanstilsynet to provide investment services and perform investment activities in Norway through the establishment of a Norwegian branch. 'Third country undertakings' means, for purposes of this provision, undertakings with their head office outside the EEA that would have been deemed investment firms or credit institutions providing investment services or performing investment activities had their head office been located in the EEA.

(2) Authorisation pursuant to subsection (1) may be granted if:

1. the undertaking is subject to adequate supervision in the home state and meets the requirements applicable to undertakings engaging in the activities in the home state,

2. the home state of the undertaking pays due regard to the recommendations of the Financial Action Task Force on countering money laundering and the financing of terrorism,
3. satisfactory collaboration on supervision has been established between the supervisory authorities of the undertaking's home state and Norway,
4. sufficient initial capital is at the free disposal of the branch,
5. the persons constituting the management of the branch meet the requirements of section 9-10,
6. the undertaking's home state and Norway has signed an agreement which complies with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital, and which ensures effective information exchange in tax matters, including any multilateral tax agreements, and
7. the undertaking is a member of an investor compensation scheme authorised or recognised in accordance with Directive 97/9/EC.

(3) Applications for authorisation pursuant to subsection (1) shall include the following:

1. the name of the authority responsible for supervision of the undertaking in the home state. Where more than one authority is responsible for supervision, information shall be provided on their respective areas of competence,
2. all relevant information on the undertaking, including its name, form of organisation, registered office and address, members of the board and other managers and relevant shareholders,
3. a programme of operations setting out the investment services to be provided, or the investment activities to be performed, as well as the organisational structure of the branch, including a description of any outsourcing of key operating functions,
4. names of the persons constituting the management of the branch, and relevant documents demonstrating compliance with the requirements of section 9-10,
5. information on the initial capital which is at the free disposal of the branch.

(4) The authorisation requirement under subsection (1) shall not apply where:

1. Finanstilsynet has adopted an equivalence decision pursuant to subsection (7) and the undertaking has authorisation pursuant to Articles 46 to 49 of the Markets in Financial Instruments Regulation, or
2. services are provided directly from a place of business outside the EEA at the exclusive initiative of the client. Such a client initiative shall not entitle the undertaking to market new categories of investment products or investment services to the client concerned without authorisation.

(5) Authorisation pursuant to subsection (1) shall only be granted where Finanstilsynet deems that the conditions for authorisation pursuant to subsections (2) and (3) are met. The decision regarding authorisation shall be communicated to the applicant at the latest six months after the application was received. If the application does not contain information necessary to decide whether authorisation should be granted, the time limit runs from the time of receipt of such information.

(6) The ministry may by regulations make provision to the effect that undertakings with their head office outside the EEA may provide investment services and perform investment activities

without authorisation pursuant to subsection (1) also in other circumstances than under subsection (4), and may also make regulations to supplement this section.

(7) Finanstilsynet may by regulations make provision to the effect that legal and supervisory frameworks in third countries are equivalent.

Section 9-37 Application of the Securities Trading Act to branches of undertakings with their head office outside the EEA

(1) The following provisions of this Act and regulations pursuant thereto shall apply to branches with authorisation pursuant to section 9-36:

1. section 9-7, section 9-10, sections 9-16 to 9-19, sections 9-22 to 9-30 and section 9-38,
2. section 10-2, sections 10-9 to 10-17, section 10-19, section 10-20 and section 10-21 subsection (1),
3. section 10-23 and chapter 20,
4. chapter 19 if so decided by Finanstilsynet against the background of an agreement on supervision with the home state authority,
5. Articles 3 to 26 of the Markets in Financial Instruments Regulation.

(2) The ministry may make regulations supplementing this provision.

VII Norwegian Investor Compensation Scheme

Section 9-38 Norwegian Investor Compensation Scheme

(1) Investment firms shall be members of the Norwegian Investor Compensation Scheme.

(2) The object of the Scheme is, in the event of a member's insolvency, to provide cover for claims arising from that member's handling of clients' funds and financial instruments.

(3) The Scheme's liabilities are financed by the members such that their liability is in the first instance pro rata, secondarily joint and several.

(4) The Scheme may not invoke objections against an injured party beyond the objections an investment firm itself has in relation to the injured party.

(5) The obligation stipulated in subsection (1) shall be considered fulfilled in respect of structured deposits if such structured deposits are issued by a credit institution which is a member of a deposit guarantee scheme recognised under Directive 2014/49/EU.

(6) The ministry may by regulations make further provision concerning the Scheme, including rules on the activities and financing of the Scheme, institutions obliged to join the Scheme, the extent of liability, and on the rights and obligations of the members and possible injured parties.

(7) The ministry may by regulations determine the extent to which the rules governing the Norwegian Investor Compensation Scheme shall apply to credit institutions or foreign undertakings

providing investment services in Norway. The ministry may by regulations provide that certain groups of investors or certain types of claims do not need to be covered by the Scheme.

VIII Capital structure etc.

Section 9-39 *Initial capital*

(1) An investment firm authorised to provide investment services or perform investment activities as mentioned in section 2-1 subsection (1) nos. 3, 6, 8 and 9 shall have initial capital amounting to at least the equivalent of EUR 730,000 in Norwegian kroner.

(2) An investment firm authorised to provide only one or more of the investment services or to perform the investment activities as mentioned in section 2-1 subsection (1) nos. 1, 2, 4, 5 and 7, and not authorised to handle clients' financial instruments or financial funds, shall have initial capital amounting to at least the equivalent of EUR 50,000 in Norwegian kroner.

(3) Other investment firms shall have initial capital amounting to at least the equivalent of EUR 125,000 in Norwegian kroner.

(4) The initial capital requirement shall be complied with at all times.

(5) Paid-up share capital, share premium accounts and other own funds are regarded as initial capital.

(6) The ministry may by regulations make further provisions regarding initial capital.

Section 9-40 *Minimum requirement on own funds*

(1) An investment firm's common equity tier 1 capital shall at all times constitute at least 4.5 per cent of risk weighted assets as laid down in section 9-41. An investment firm's tier 1 capital shall at all times constitute at least 6 per cent of the same risk weighted assets. An investment firm's own funds shall at all times constitute at least 8 per cent of the same risk weighted assets.

(2) An investment firm's own funds comprise tier 1 capital and tier 2 capital. The tier 1 capital comprises common equity tier 1 capital and other approved tier 1 capital.

(3) The ministry may by regulations make provision concerning what shall be deemed common equity tier 1 capital, other approved tier 1 capital and tier 2 capital, as well as the composition of own funds and otherwise make regulations to supplement this section.

Section 9-41 *Risk weighted assets*

(1) Risk weighted assets in respect of the minimum requirement on own funds shall be calculated as the sum of risk weighted assets in respect of credit risk, market risk and operational risk.

(2) Risk weighted assets in respect of credit risk shall be calculated on the basis of risk weights under the standardised approach laid down in regulations, or on the basis of risk parameters

established entirely or in part by the firm itself using an internal models approach to classify and quantify credit risk.

(3) Risk weighted assets in respect of market risk shall be calculated on the basis of rules under the standardised approach laid down in regulations, or on the basis of the internal models approach for market risk.

(4) Risk weighted assets in respect of operational risk shall be calculated as a share of average income under the basic approach laid down in regulations, a share of income within the various business areas multiplied by an indicator of loss experience under the template approach laid down in regulations, or on the basis of internal models for operational risk under the advanced approach.

(5) Finanstilsynet may by regulations or by individual decision exempt investment firms not authorised to provide the investment services mentioned in section 2-1 subsection (1) nos. 3 and 6 from the requirement on own funds in respect of operational risk.

(6) An investment firm may not without the approval of Finanstilsynet use the internal models approach for credit risk, market risk or operational risk in calculating the requirement on own funds.

(7) Finanstilsynet may in special cases and for a limited period consent to an investment firm maintaining lower capital adequacy than required under the present section and section 9-40.

(8) The ministry may by regulations make provision:

1. concerning the calculation of risk weighted assets in respect of credit risk, market risk and operational risk, including rules ensuring that risk weighted assets adequately reflect the risk in the investment firm's assets,
2. concerning use of the internal models approach for credit risk, market risk and operational risk,
3. concerning collateral that can be taken into account when calculating minimum capital charges,
4. requiring that investment firms' common equity tier 1 capital or tier 1 capital shall constitute at minimum a specific percentage of the value of their assets and off-balance sheet liabilities, without risk weighting, and rules for such calculations (leverage ratio).

Section 9-42 Requirements on capital conservation buffer, systemic risk buffer, buffer for systemically important entities and countercyclical capital buffer

(1) An investment firm shall have a capital conservation buffer consisting of common equity tier 1 capital which shall constitute 2.5 percentage points in addition to the minimum capital charge under section 9-40 subsection (1).

(2) An investment firm shall have a systemic risk buffer comprising common equity tier 1 capital in addition to the minimum capital charge under section 9-40 subsection (1) and the capital conservation buffer under subsection (1). The ministry shall set the requirement for the systemic risk buffer in regulations. The requirement may in special cases be set higher or lower than 3 per cent.

(3) A systemically important investment firm shall have a buffer consisting of common equity tier 1 capital in addition to the minimum capital charge under section 9-40 subsection (1), a capital conservation buffer under subsection (1) and a systemic risk buffer under subsection (2). The

ministry shall set the requirement for such buffer in regulations. The ministry may by regulations set criteria for which entities are to be regarded as systemically important, and set special activity rules and capital adequacy requirements for such entities.

(4) An investment firm shall have a countercyclical capital buffer consisting of common equity tier 1 capital which shall constitute between 0 and 2.5 percentage points in addition to the minimum capital charge under section 9-40 subsection (1), the capital conservation buffer under subsection (1), the systemic risk buffer under subsection (2) and the buffer for systemically important entities under subsection (3). The ministry shall set the requirement for the countercyclical capital buffer in regulations. The requirement may in special cases be set higher than 2.5 percentage points.

(5) If an investment firm is unable to simultaneously meet the buffer requirements of this section, the minimum requirements on own funds under section 9-40 and the capital need established under section 9-47, less capital need pursuant to section 9-47 as justified in terms of excessive debt build-up, it shall draw up a plan for increasing its common equity tier 1 capital ratio, and it cannot pay any dividends to owners or any bonus to employees without the consent of Finanstilsynet.

(6) The ministry may by regulations make provisions concerning the capital conservation buffer, systemic risk buffer, buffer for systemically important entities and countercyclical capital buffer, concerning the calculation of the buffer requirements and concerning the consequences of non-compliance with these requirements and otherwise make regulations to supplement this section.

Section 9-43 *Liquidity and stable funding*

(1) An investment firm shall ensure that it has at all times sufficient liquid assets to meet its liabilities as they fall due.

(2) An investment firm shall have a documented liquidity strategy and ensure prudent liquidity management in accordance with policies laid down by the board of directors. The investment firm's management and control system shall be tailored to the nature, complexity and scale of its activities and establish methods for measuring the liquidity risk.

(3) If Finanstilsynet finds the liquidity risk associated with the activities to be inappropriate, Finanstilsynet may order measures to be taken to rectify the situation.

(4) The ministry may by regulations set minimum requirements for an investment firm's holding of liquid assets and minimum requirements for the composition of the investment firm's funding sources in order to ensure stable funding of its activities and mitigate risk associated with meeting future borrowing needs.

(5) The ministry may by regulations exempt investment firms from all or part of the present section.

Section 9-44 *Exemptions from the Public Limited Companies Act section 8-1 and the Private Limited Companies Act section 8-1*

The Public Limited Companies Act section 8-1 subsection (2) and the Private Limited Companies Act section 8-1 subsection (2) do not apply to investment firms.

Section 9-45 *Maximum exposure to a single counterparty*

(1) An investment firm's overall exposure to a single counterparty may at no time exceed a prudent level.

(2) The ministry may adopt regulations on maximum overall exposure to a single counterparty, including on the procedure for calculating on- and off-balance sheet items.

(3) The ministry may stipulate that such maximum overall exposure shall also apply to exposures to two or more counterparties in cases where the balance of influence or financial relations between them is such that financial problems of one counterparty may entail payment difficulties for the other counterparty. The ministry may make regulations to supplement this section.

Section 9-46 *Consolidation*

(1) The requirements of this chapter shall be applied on a consolidated basis where the investment firm:

1. directly or indirectly holds 20 per cent or more of the voting rights or capital of another undertaking,
2. is under joint management with another undertaking, or
3. has a parent company, unless at least half of the activities of the group are activities that are not subject to authorisation requirements and capital requirements as laid down in the present chapter, or corresponding capital requirements.

(2) Finanstilsynet may by regulations or by individual decision make exemptions from subsection (1) no. 2.

(3) In case of consolidation of subsidiaries, consolidated accounts shall be based on the principle of full consolidation. In case of consolidation of non-subsidiaries, accounts shall be based on the principle of proportional consolidation.

(4) The ministry may by regulations make further provision regarding consolidation, including regarding what shall be deemed a subsidiary or parent company under subsection (1).

Section 9-47 *Assessment of overall capital needs and supervisory follow-up*

(1) An investment firm shall at all times maintain an overview of, and at regular interval assess, the individual risks and the overall risk associated with its activities. An investment firm shall at all times have own funds appropriate to the risk inherent in and the volume of the activities carried on by the firm.

(2) In the assessment of risk associated with the activities of the investment firm and its overall risk exposure, account shall be taken of credit risk, liquidity risk, funding risk, market risk, currency risk, operational risk and other risk associated with its individual business areas. The assessment shall include risk exposure as a result of the firm's assets being transferred to, or the posting of such assets as collateral in favour of, other undertakings.

(3) An investment firm shall assess its capital needs in the short and longer term and how those capital needs can be met. Such assessment shall include the size, composition and distribution of the capital in relation to the type and scale of the risk attending the business at all times and in relation to such risk as could arise.

(4) The board of directors shall monitor and manage the investment firm's overall risk and regularly assess whether the firm's internal governance arrangements are tailored to the risk level and scale of its activities. The ministry may by regulations make provision for the monitoring, assessment, management and control of risk and capital needs. The ministry may set higher capital requirements or impose activity restrictions to ensure that the firm's own funds are in accordance with its risk exposure.

(5) Finanstilsynet shall ensure that the investment firms under its supervision have appropriate and clear policies and procedures, in accordance with law and provisions laid down pursuant to law, for assessing, managing and controlling risk and capital needs. Finanstilsynet shall assess the risks referred to in subsection (2) related to the business to which the investment firm is, or may become, exposed.

(6) Finanstilsynet may require the firms to maintain own funds higher than the statutory minimum requirements; see the Financial Supervision Act section 4, first subsection, no. 4.

(7) The ministry may by regulations lay down provisions concerning internal policies and procedures for assessing, managing and controlling risk and capital needs.

Section 9-48 *Information requirement*

(1) An investment firm shall make available to the public information on its business, the risk associated with the firm and its own funds in accordance with provisions laid down in regulations.

(2) The ministry may by such regulations also lay down requirements as to documentation, including making exceptions from the Personal Data Act.

Section 9-49 *Corrective measures and orders*

(1) Investment firms that do not meet the requirements of sections 9-39 to 9-48 or regulations pursuant thereto shall without delay take necessary measures to rectify the situation. Failure to comply with the requirements may cause Finanstilsynet to order the firm to:

1. modify the organisation, management and control of its activities and the strategies, processes, policies and procedures upon which the operation of its business is based,
2. comply with a higher capital requirement than the minimum requirements laid down in sections 9-39 to section 9-42,
3. modify or curtail its activities,
4. reduce the risk attending its activities, including its products and systems,
5. reduce the difference in maturity between the liabilities and the assets of the firm,
6. limit the scope of performance related remuneration,

7. use the profit for the year to increase the tier 1 capital ratio and not pay dividends or interest on tier 1 capital.

(2) Finanstilsynet may issue an order under subsection (1) as a joint order for a group of firms that are exposed to the same type of risk or that entail the same type of risk to the financial system.

Chapter 10 Investment firm activities etc.

I General provisions

Section 10–1 *Ongoing conformity with conditions for authorisation*

(1) Investment firms are required to organise their business activity in such a way that it conforms at all times with the rules of chapter 9 and the terms and conditions of the authorisation, and to inform Finanstilsynet of any material changes in the assumptions underlying the authorisation.

(2) The ministry may make regulations to supplement this section.

Section 10-1(a) *Format for information to the customer*

(Not yet in force)

Section 10-2 *Conflicts of interest*

(1) Investment firms are required to take all appropriate steps to identify and to prevent or manage conflicts of interest between them and their clients and between their clients, including conflicts caused by inducements from parties other than the client or by the investment firm's remuneration or incentive arrangements.

(2) If the steps taken under section 9-16 subsection (1) no. 2 do not, with reasonable certainty, prevent risk of damage to client interests, the firm shall clearly inform the client of possible conflicts of interest and of the steps taken to mitigate such risks. The investment firm may not provide investment services or ancillary services to the client until the client has received such information.

(3) The information referred to in subsection (2) shall be given in a durable medium and shall include sufficient detail, taking into account the nature of the client, to enable that client to make an informed decision with respect to the service to which the conflict of interest relates.

(4) The ministry may make regulations to supplement this section.

Section 10-3 *Investment firms' right to engage in other business activity*

(1) An investment firm may not engage in other business activity beyond that set out in section 9-1, unless such activity is naturally related to the provision of the investment services or the performance of the investment activities.

(2) Finanstilsynet may in special cases make exceptions from subsection (1).

(3) If it impairs the investment firm's independent position, the investment firm may not:

1. assume unlimited liability in another undertaking,
2. hold assets in and participate in the operation of other business activity, or
3. wield such influence as mentioned in the Private Limited Companies Act section 1-3 subsection (2) over another undertaking.

(4) The ministry may make regulations to supplement this section.

Section 10-4 *Employees' right to engage in business activity etc.*

(1) Employees of an investment firm who normally have insight into or whose work involves the firm's investment services or investment activities, shall not be members of the board of directors, corporate assembly or enterprise assembly of any undertaking whose financial instruments are subject to organised trading or any management company for securities funds. Nor may such employees wield such influence as mentioned in the Private Limited Companies Act section 1-3 subsection (2) in any such undertaking.

(2) The general manager may in special cases make exceptions from the provision of subsection (1). The board of directors shall be informed of such decisions. The board of directors may in special cases make exceptions from the provision of subsection (1) with regard to the general manager.

(3) The ministry may make regulations to supplement this section.

Section 10-5 *Obligation of confidentiality for investment firms and their employees etc.*

(1) Employees, elected officers and persons with decisive influence over an investment firm shall treat as confidential any information about the affairs of others which may come to their knowledge in the course of their work, except as otherwise prescribed by law or regulations made pursuant to law.

(2) Subsection (1) applies equally to anyone who performs work for the investment firm, even if the person concerned is not employed by the firm.

(3) The ministry may make regulations to supplement this section.

II Client classification

Section 10-6 *Professional clients*

(1) The following clients shall be regarded as professionals in relation to all investment services, all investment activities and all financial instruments:

1. entities which are authorised or regulated to engage in activities in the financial markets in the EEA or a third country and are deemed to be, or are engaged in activities corresponding to those of:

- (a) credit institutions,
- (b) investment firms,
- (c) insurance undertakings,
- (d) other authorised and regulated financial institutions,

- (e) collective investment undertakings and management companies for such undertakings,
 - (f) pension undertakings and management companies of such undertakings,
 - (g) commodity and commodity derivatives dealers,
 - (h) local undertakings,
 - (i) other institutional investors,
2. large undertakings meeting at least two of the following size requirements at the company level:
- (a) balance sheet total of no less than the equivalent of EUR 20,000,000 in Norwegian kroner,
 - (b) annual net turnover of no less than the equivalent of EUR 40,000,000 in Norwegian kroner,
 - (c) own funds of no less than the equivalent of EUR 2,000,000 in Norwegian kroner,
3. national and regional authorities, including authorities responsible for public debt management at the national or regional level, central banks and international and supranational institutions,
4. other institutional investors whose main business is to invest in financial instruments, including entities engaged in securitisation of assets or other financial transactions.

(2) Investment firms shall inform any client as mentioned in subsection (1) in writing that the client is deemed to be a professional client, that the client has the right to request a different categorisation, as well as the implications of the categorisation for the degree of investor protection.

(3) If a professional client requests treatment as a retail client, and the investment firm consents thereto, the investment firm and the client shall enter into a written agreement to that effect. The agreement shall specify whether it applies generally or in relation to one or more specified transactions, investment services or types of products.

(4) Investment firms shall have in place written internal policies and procedures for the categorisation of clients. Professional clients are responsible for keeping the investment firm informed on an ongoing basis of any change that may affect the classification. Should the investment firm become aware that the client no longer meets the conditions for categorisation as a professional client, the investment firm shall take appropriate action.

(5) The ministry may make regulations to supplement this section.

Section 10-7 *Retail clients*

(1) Any client who is neither regarded as a professional under section 10-6, nor reclassified as a professional under section 10-8, is considered a retail client.

(2) A retail client may request treatment as a professional client if at least two of the following three criteria are met:

- 1. the client has carried out transactions, in significant size, on the relevant market at an average frequency of ten times per quarter over the previous four quarters,
- 2. the size of the client's financial portfolio (cash deposits and financial instruments) exceeds the equivalent of EUR 500,000 in Norwegian kroner,

3. the client works or has worked in the financial sector for at least one year in a position that requires knowledge of the relevant transactions or investment services.

(3) The ministry may make regulations to supplement this section.

Section 10-8 *Procedural requirements for waiving protection as a retail client*

(1) In the event of a request as mentioned in section 10-7 subsection (2), the client shall state in writing to the investment firm that it wishes to be treated as a professional client. The client shall also state whether this applies generally, or only in relation to a specific investment service, transaction or product. The investment firm shall give the client a clear written warning of the investor protection and the rights the client is waiving. The client shall, in a separate document from the client agreement, state in writing that the consequences of waiving such investor protection are understood.

(2) The investment firm shall take all reasonable steps to ensure that a client requesting to be treated as a professional client meets the requirements of section 10-7 subsection (2) before deciding to accept such request.

(3) An investment firm may only accept a request as mentioned in section 10-7 subsection (2) if the firm is able to conclude, with reasonable confidence, that the client has the experience, knowledge and expertise necessary to make investment decisions in relation to relevant investment services, financial instruments or transactions and understands the risk associated therewith.

(4) The ministry may make regulations to supplement this section.

III Investor protection

Section 10-9 *Conduct of business rules*

(1) An investment firm shall conduct its activities in accordance with the conduct of business rules. The firm shall act honestly, fairly and professionally in accordance with the best interests of the clients and ensure that the integrity of the market is attended to in the best manner. The firm shall otherwise comply with the requirements of this section and sections 10-10 to 10-17, and regulations pursuant thereto.

(2) An investment firm which manufactures financial instruments for sale to clients shall ensure that they are designed to meet the needs of an identified target group of end clients, see section 9-19 subsection (1), and that the strategy for distribution of the financial instruments is tailored to the identified target group. The firm shall take reasonable steps to ensure that the financial instrument is distributed only to the identified target group.

(3) An investment firm shall understand the financial instruments offered or recommended by the firm. The firm shall assess whether the financial instruments meet the needs of the clients to whom the investment firm provides investment services, and shall, inter alia, take into account the

identified target group of end clients in making such assessment. The investment firm shall ensure that it only offers or recommends financial instruments when this is in the interest of the client.

(4) This section and sections 10-10 and 10-17 apply equally to an investment firm's board members and employees, and to persons and undertakings that exercise decisive influence over the investment firm, including influence as mentioned in the Private Limited Companies Act section 1-3. The same applies to tied agents pursuant to section 10-22.

(5) The ministry may make regulations to supplement this section.

Section 10-10 *Information to the client*

(1) Investment firms shall ensure that all information to clients or potential clients is balanced, clear and not misleading. Marketing communications shall be clearly identifiable as such.

(2) Investment firms shall in good time before the provision of any investment service or ancillary service provide clients and potential clients with relevant information on the investment firm and the services it provides, financial instruments and proposed investment strategies, execution venues and all costs and charges in accordance with this section.

(3) An investments firm shall in good time before the provision of investment advice inform clients or potential clients:

1. whether the investment advice is, or is not, provided on an independent basis,
2. whether the advice is based on a broad or on a more restricted analysis of different types of financial instruments and, in particular, whether the range is limited to financial instruments issued or provided by undertakings having close links with the investment firm pursuant to section 9-1 subsection (2), or whether other legal or economic relationships are so close as to pose a risk of impairing the independent basis of the investment advice,
3. whether the investment firm will provide the client with a periodic suitability assessment.

(4) The information on financial instruments and proposed investment strategies pursuant to subsection (2) shall include appropriate guidance and warning of risk associated with investments in those instruments or the proposed investment strategies, and information on whether the financial instrument is intended for retail or professional clients. The format of the information shall take account of the identified target group of end clients; see section 10-9 subsection (2).

(5) The information on all costs and charges pursuant to subsection (2) shall include information on both investment services and ancillary services, including the cost of advice and the cost of the financial instruments recommended or marketed. The firm shall specify how the client may pay costs and charges, including any third-party payments.

(6) The information on all costs and charges not caused by underlying market risk shall be aggregated in such a manner that the client can understand the overall cost and the cumulative effect on the return on the investment. The firm shall, at the client's request, provide an itemised breakdown. The information shall, where applicable, be provided on a regular basis and at least annually during the life of the investment.

(7) Information pursuant to subsections (1) to (6) shall be provided in a comprehensible form and in such a manner that clients and potential clients are reasonably able to understand the nature and risks of the investment service and the financial instruments being offered, thus enabling them to make an informed investment decision. The information may be provided in a standardised format.

(8) The information requirements under subsections (1) to (7) do not apply where an investment service is offered as part of a financial product which is subject to information requirements under the Financial Contracts Act.

(9) Where an investment service is offered together with another service or another product as part of a package or as a condition for the same agreement or package, the investment firm shall inform the client whether it is possible to buy the different services and products separately. The firm shall provide a specification of the overall costs of each product and service. Where the risks associated with such an agreement or package offered to a retail client are likely to be different from the risks associated with the services or products taken separately, the firm shall provide an adequate description of each of the services or products of the agreement or the package and the way in which its interaction modifies the risks.

(10) The ministry may make regulations to supplement this section.

Section 10-10(a) *Disclosure obligation towards life insurance undertakings and pension undertakings*

(1) An investment firm that provides portfolio management services shall each year provide information to life insurance undertakings and pension undertakings about investments in shares that are admitted to trading on a regulated market situated, or operating, in the EEA that they manage on behalf of such undertakings.

(2) The investment firm is not obliged to provide information as mentioned in subsection (1) provided the information is already available to the undertakings.

(3) The ministry may make regulations on the content, preparation and publication of information as mentioned in subsection (1).

(Not yet in force)

Section 10-11 *Special requirements for the provision of independent investment advice*

(1) An investment firm informing the client that it is providing independent investment advice pursuant to section 10-10 subsection (3) no. 1, shall assess a sufficient range of available financial instruments. The range shall be sufficiently diversified with regard to type and issuer or product provider to ensure that the client's investment objective can be met in a suitable manner. The range shall not be limited to products and financial instruments issued or provided by:

1. the firm itself or entities with which the firm has close links pursuant to section 9-1 subsection (2), or

2. other entities with which the firm has legal or economic relationships that are so close as to put at risk the independent basis of the investment advice provided.

(2) The ministry may make regulations to supplement this section.

Section 10-12 *Payment or benefit from or to anyone other than the client*

(1) An investment firm shall not, in connection with its provision of investment services or ancillary services, receive any payment or benefit from, or provide any payment or benefit to, anyone other than the client, unless the payment or benefit is capable of enhancing the quality of the service to the client, and it does not impair the ability of the firm to act honestly, fairly and professionally in accordance with the best interests of the client.

(2) Payment or benefit includes, for purposes of subsection (1), all forms of monetary and non-monetary benefits. Subsection (1) does not include expenses which enable or are necessary for the provision of the investment service, such as costs relating to custodian banks, trading venues, securities depositories, clearing houses and legal assistance. Such expenses shall not by their nature give rise to conflict with the firm's obligation to act honestly, fairly and professionally in accordance with the best interests of the client.

(3) The client shall prior to the provision of the service receive accurate, comprehensive and understandable information on payments or benefits as referred to in subsection (1), including the nature and amount of the payment or benefit, or the method of calculation if the amount cannot be ascertained. If the payment or benefit is to be transferred to the client, information shall be provided on the method of such transfer. The information shall be provided in writing.

(4) An investment firm that provides portfolio management services or informs the client that it provides independent investment advice, see section 10-10 subsection (3) no. 1, shall not accept or retain payments or benefits from anyone other than the client. However, this shall not apply to minor non-monetary benefits which are capable of enhancing the quality of the service to the client and which are of such nature and scale that the ability of the firm to act in the best interests of the client is not impaired. Information on minor non-monetary benefits received and retained by the firm shall be disclosed to the client in writing.

(5) The ministry may by regulations make provision designed in special cases to prohibit, or impose additional requirements on, the receipt of payments or benefits from, or the provision of payments or benefits to, anyone other than the client. The ministry may make regulations to supplement this section.

Section 10-13 *Remuneration of employees*

(1) An investment firm shall not remunerate or assess the performance of its employees in such a way as to impair its ability to ensure that the client's interests are attended to in the best possible manner. In particular, the firm shall not employ remuneration arrangements, sales targets or other inducements that may provide an incentive to employees to recommend a particular financial instrument to a retail client over another financial instrument which is better suited to the client.

(2) The ministry may make regulations to supplement this section.

Section 10-14 *Employee qualification requirements*

(1) Investment firms shall ensure that persons providing investment advice or providing information on financial instruments, investment services or ancillary services possess the knowledge and skills required to ensure that the firm's activities are compliant with the conduct of business rules and other requirements laid down in sections 10-10 to 10-17.

(2) A trade organisation or an associated legal entity which provides training to and authorises persons employed at investment firms, tied agents or branches of foreign firms providing investment services or performing investment activities in Norway, may process such data as mentioned in Article 10 of the General Data Protection Regulation as part of its assessment of whether an employee should be granted authorisation, have his authorisation revoked or receive a warning.

(3) The ministry may make regulations to supplement this provision.

Section 10-15 *Assessment of suitability and appropriateness*

(1) An investment firm that provides investment advice or engages in portfolio management shall obtain necessary information on the client's or potential client's knowledge and experience in the relevant investment field, that person's financial situation and investment objectives including his risk tolerance and ability to bear losses. Such enquiries shall enable the firm to recommend the investment service and financial instruments that are suited to the client and, in particular, are in accordance with the client's risk tolerance and ability to bear losses. If the firm recommends a package of services or products bundled pursuant to section 10-10 subsection (9), the overall bundled package shall be suitable.

(2) An investment firm shall, when providing investment services other than investment advice or portfolio management, seek to obtain information regarding the client's or potential client's knowledge and experience in the investment field concerned. The firm's enquiries shall enable it to assess whether the investment service or the investment product envisaged is appropriate for the client. Where a package of services or products bundled pursuant to section 10-10 subsection (9) is envisaged, the firm shall consider whether the overall bundled package is appropriate.

(3) Where the investment firm considers, on the basis of the information received under that the investment service or the investment product is not appropriate to the client pursuant to subsection (2), the firm shall warn the client or potential client accordingly. Where the client or potential client chooses not to provide information that the investment firm is obliged to obtain, or provides incomplete information, the firm shall warn that person that the firm is not in a position to determine what is appropriate for him or her.

(4) Subsections (2) and (3) shall not apply when the investment firm provides investment services that only consist of reception, transmission and execution of orders, with or without ancillary services, provided that the following conditions are met:

1. the services relate to financial instruments that are non-complex,
2. the services are provided at the initiative of the client or potential client,

3. the client or potential client is clearly informed that the investment firm is not obliged to assess the appropriateness of the instrument or service, and that the investor protection entailed by such obligation is therefore not present, and
4. the investment firm complies with the requirements as to the management of conflicts of interest under section 10-2.

(5) The exemption under subsection (4) shall not apply when credit is granted pursuant to section 2-6 no. 2 in excess of previously granted credit limits.

(6) Warnings pursuant to subsection (3) may be provided in a standardised format.

(7) The ministry may make regulations to supplement this section.

Section 10-15(a) *Sale of certain debt and capital instruments to non-professional clients*

- (1) Instruments included in additional Tier 1 capital or Tier 2 capital under the Financial Institutions Act, or that are senior non-preferred debt instruments under the Financial Institutions Act section 32, subsection (1) no.4, may only be sold to non-professional clients where the seller concludes, after a suitability assessment in accordance with section 10-15 subsection (1), that such instruments are suited for the non-professional client, and the seller documents their suitability in accordance with section 10-17 subsection (3).
- (2) If the client's portfolio of financial instruments at the time of purchase does not exceed an amount equivalent to EUR 500,000, the seller shall in addition ensure that the following conditions are met:
 - a. the client's investment in instruments as mentioned in subsection (1) does not exceed 10 per cent of the client's portfolio of financial instruments.
 - b. the client's first investment in instruments as mentioned in subsection (1) amounts to at least the equivalent of EUR 10,000.
- (3) The client's portfolio of financial instruments under subsection (2) includes cash and financial instruments, but not financial instruments posted as collateral.
- (4) The client shall provide the seller with accurate information about his portfolio of financial instruments, including earlier investments in instruments as mentioned in subsection (1).
- (5) The ministry may make by regulations make further provision regarding instruments covered by this section.

Section 10-16 *Non-complex financial instruments*

(1) The following financial instruments are not considered complex for purposes of section 10-15 subsection (4) no. 1:

1. shares admitted to trading on a regulated market or an equivalent third country market or on an MTF, with the exception of shares that embed a derivative and shares in alternative investment funds,

2. bonds or other debt instruments admitted to trading on a regulated market or an equivalent third country market or on an MTF that do not embed a derivative or incorporate a structure which makes it difficult for the client to understand the risk involved,
3. money market instruments that do not embed a derivative or incorporate a structure which makes it difficult for the client to understand the risk involved,
4. shares or units of UCITS as defined in the Securities Funds Act section 1-2 no. 4, except for structured UCITS as referred to in Article 36(1), second paragraph, of Regulation (EU) No. 583/2010,
5. structured deposits that do not incorporate a structure which makes it difficult for the client to understand the risk of return or the cost of early termination of the product,
6. other financial instruments that are not considered complex for the purpose of section 10-15 subsection (4).

(2) The ministry may make regulations to supplement this section, including provisions with regard to what shall be considered an equivalent third country market.

Section 10-17 *Reporting to clients etc.*

(1) An investment firm shall have a client register that includes the documents regulating the contractual relationship between the parties, including documents setting out the terms on which the firm will provide services to the client. The agreed rights and obligations of the parties may be incorporated in the register by reference to other documents or to public law regulation.

(2) An investment firm shall provide the client with appropriate reports on the services provided by the firm. The reports shall include periodic information to the client, taking into account the nature and complexity of the financial instruments and the services provided. The reports shall also include relevant costs associated with transactions and services undertaken for the account of the client.

(3) An investment firm shall, when providing investment advice to a retail client, provide the client with a statement on suitability before the transaction is made. The suitability statement shall specify the firm's advice and explain how that advice meets the preference, objectives and other characteristics of the client.

(4) If the transaction agreement is concluded by distance communication, a statement pursuant to subsection (3) may be provided immediately after the agreement is concluded, provided that:

1. the use of the means of distance communication prevented the firm from providing the information any earlier,
2. the client has consented to receiving the suitability statement immediately after the conclusion of the transaction, and
3. the investment firm has given the client the option to postpone the transaction in order to receive the suitability statement in advance.

(5) Where an investment firm provides portfolio management to a retail client or has informed such a client that the firm will provide the client with a periodic suitability assessment, the periodic

information to the client shall include an updated statement of how the investment meets the client's preference, objectives and other characteristics of the client.

(6) Documentation pursuant to subsection (2) to (5) shall be provided in a durable medium.

(7) The requirements of this section and of sections 10-14 to 10-16 shall not apply to credit agreements relating to residential property which are subject to the provisions concerning creditworthiness assessment of consumers laid down in the Financial Contracts Act chapter 3, if a mortgage bond is issued to secure the credit agreement and an investment service is provided to the consumer in that connection.

(8) The ministry may make regulations to supplement this section.

Section 10-18 *Provision of services via another investment firm*

(1) Where an investment firm mediates instructions to undertake investment services or ancillary services on behalf of a client to another investment firm, the investment firm receiving the instructions may rely on the information transmitted on the client and any recommendations in respect of the service or transaction that the client has received from the other investment firm.

(2) The investment firm which mediates the instructions will in such cases remain responsible for the completeness and accuracy of the information transmitted, and for the suitability for the client of any recommendations or advice provided.

(3) The investment firm which receives the instructions shall be obliged to undertake the services concerned, based on the information and recommendations referred to in subsection (1), in accordance with all relevant provisions of chapter 10.

(4) The ministry may make regulations to supplement this section.

Section 10-19 *Execution of orders on terms most favourable to the client*

(1) When executing clients' orders, an investment firm shall take sufficient steps to obtain the best possible result for their clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other relevant consideration. If the client has provided a specific instruction, the order shall be executed in accordance therewith.

(2) When executing orders on behalf of a retail client, the best possible result shall be determined in terms of the total consideration to be paid by the client in connection with order execution. The total consideration shall encompass the price of the financial instrument and costs relating to order execution. The costs shall include all direct costs to the client in connection with execution, including fees for the use of execution venues, central counterparties and securities depositories, as well as other costs and fees paid to third parties involved in the execution of the order.

(3) In order to ensure the best possible result for the client when the order can be executed on more than one execution venue, and to compare the results that can be achieved for the client on the various execution venues listed in the investment firm's order execution policy, the investment firm

shall take into account its own commissions and costs for executing the order on the various execution venues.

(4) Investment firms shall have in place effective systems, procedures and arrangements for ensuring compliance with the provision of subsection (1). The investment firm shall, inter alia, establish and implement a policy for the execution of client orders.

(5) The order execution policy shall include, in respect of each type of financial instrument traded in by the firm, information on the various execution venues used, and the factors determining the choice of execution venue. The policy shall at least include those execution venues that normally deliver the best result for the execution of client orders.

(6) Prior to the execution of a client order, the investment firm shall provide information on the firm's order execution policy and obtain the client's consent to the policy. The investment firm shall, in an easily understandable and clear manner, explain to the client how orders will be executed by the firm.

(7) Where the order execution policy permits client orders to be executed outside a trading venue, the clients shall be informed accordingly. The investment firm shall obtain the prior express consent of the client before proceeding to execute the client's order outside a trading venue. Such consent may be obtained through a general agreement or in respect of each transaction.

(8) Investment firms shall monitor their systems and order execution policy to identify and correct any deficiencies. The investment firm shall, inter alia, assess, on a regular basis, whether the execution venues included in the execution policy provide for the best possible result for the client or whether they need to make changes. The investment firm shall, in performing such assessment, attach weight to information published pursuant to section 10-20. The investment firm shall notify all material changes to the firm's systems and order execution guidelines to clients with whom the firm has an ongoing relationship.

(9) Investment firm shall at the client's request be able to demonstrate that they have executed client orders in accordance with the firm's order execution policy.

(10) After executing a client order, the investment firm shall inform the client of where the order was executed.

(11) An investment firm shall not accept monetary or non-monetary benefits for executing orders at a specific trading venue or execution venue in infringement of the provisions of section 9-16 subsection (1) no. 2, section 10-2 or section 10-12.

(12) The ministry may make regulations to supplement this section.

Section 10-20 *Disclosure of order execution information*

(1) Trading venues and systematic internalisers shall at least once a year disclose information on the quality of order execution for financial instruments subject to the trading obligation in Articles 23 and 28 of the Markets in Financial Instruments Regulation. Similarly, execution venues shall at least once a year disclose information on the quality of order execution for financial instruments that are

not subject to the said trading obligation. Such reports shall be made available to the public free of charge and include information on price, costs, speed and likelihood of execution of the order for each financial instrument.

(2) An investment firm executing orders shall annually disclose information on the five execution venues on which the firm has had the largest trading volume in the preceding year within each category of financial instruments. The disclosure shall include information on the quality of order execution.

(3) The ministry may make regulations to supplement this section.

Section 10-21 *Handling of client orders*

(1) Investment firms shall establish procedures and arrangements which ensure the prompt, fair and expeditious execution of client orders, relative to the investment firm's other client orders and the firm's trading on own account. Those procedures and arrangements shall facilitate the execution of comparable client orders in the sequence in which they are received.

(2) If a client order specifying the price and number of shares admitted to trading on a regulated market or traded on a trading venue cannot be executed immediately due to prevailing market conditions, investment firms are, unless the client expressly instructs otherwise, required to take immediate measures to facilitate the earliest possible execution by making the order public in a manner accessible to other market participants. The public disclosure obligation is deemed to be met by making the order available on a trading venue.

(3) Finanstilsynet may exempt an investment firm from the public disclosure obligation pursuant to subsection (2) if the order is large in scale compared with normal market size as determined under Article 4 of the Markets in Financial Instruments Regulation.

(4) The ministry may make regulations to supplement this section.

Section 10-22 *Tied agents*

(1) An investment firm may appoint tied agents for the purpose of promoting its services, soliciting business or receiving orders from clients and transmitting them, placing financial instruments and providing advice in respect of such financial instruments and ancillary services offered by that investment firm, provided the investment firm is itself authorised to provide such services. The activity of tied agents does not require authorisation under section 9-1. A tied agent may act on behalf of only one investment firm.

(2) The investment firm is responsible for all actions of a tied agent acting on behalf of the firm and shall when using a tied agent ensure that it remains in compliance with its obligations under this Act. The investment firm is required to ensure that a tied agent always discloses the capacity in which he is acting when contacting any client or potential client. He must at least disclose the investment firm's identity, the services he provides as a tied agent, and the investment firm's full and unconditional responsibility for his activity as a tied agent. The information shall be given in writing, or by voice-recorded telephone call.

(3) Tied agents shall be registered in a public register which shall be maintained by Finanstilsynet. The register shall contain information on tied agents established in Norway, and on Norwegian investment firms' tied agents established in other EEA states. Investment firms may only use tied agents registered in Norway or in a corresponding register in another EEA state. Where an investment firm's use of a tied agent ceases it shall notify Finanstilsynet accordingly.

(4) Tied agents shall be of sufficiently good repute and possess the necessary knowledge and skills to provide the offered services, and to provide relevant information to clients. Registration in Norway may only take place provided the investment firm confirms that its tied agents are suitable. Finanstilsynet may refuse registration of a tied agent if the agent is not considered suitable.

(5) The investment firm shall take necessary measures to avoid any negative impact that the activities of tied agents not covered by the scope of this Act could have on the activities carried out by tied agents on behalf of the investment firm.

(6) The ministry may make regulations to supplement this section.

Section 10-23 Provision of services in relation to eligible counterparties

(1) Investment firms authorised to provide services as mentioned in section 2-1 subsection (1) nos. 1 to 3 may bring about or enter into transactions with eligible counterparties without being obliged to comply with the obligations under section 10-9, section 10-10 subsections (1), (8) and (9), sections 10-11 to 10-16, section 10-17 subsections (1) and (7), section 10-19, section 10-20 and section 10-21 subsection (1) in respect of those transactions or ancillary services directly relating to those transactions.

(2) The following shall be recognised as eligible counterparties for the purposes of this section:

1. investment firms,
2. credit institutions,
3. insurance undertakings,
4. collective investment undertakings and management companies for such undertakings,
5. pensions undertakings and their management companies,
6. other authorised and regulated financial institutions,
7. public bodies at the national level, including central banks and supranational organisations.

(3) The requirements of sections 10-9 to 10-21 shall nonetheless apply where an eligible counterparty requests this of the investment firm.

(4) Investment firms shall in their relationships with eligible counterparties act honestly, fairly and professionally and communicate in a way which is fair, clear and not misleading, taking into account the nature of the eligible counterparty and its business.

(5) Investment firms entering into transactions in accordance with subsection (1) with eligible counterparties shall obtain the express confirmation from the eligible counterparty that it agrees to be treated as an eligible counterparty. The confirmation may be obtained through a general agreement or in respect of each individual transaction.

(6) The ministry may make regulations to supplement this section, including extending the range of eligible counterparties and laying down special rules in that connection.

Section 23(a) *Provision of services to professional clients*

(Not yet in force)

Section 10-24 *Consideration of disputes by appeal board*

The Financial Institutions Act section 16-3 applies equally to investment firms.

Section 10-25 *Link to web-based price portal*

The ministry may by regulations lay down an obligation for investment firms to establish links to price information in web-based price portals.

Part 4 Regulated markets

Chapter 11 Application and conditions for authorisation as a regulated market

I Authorisation, application and withdrawal

Section 11-1 *Authorisation to operate a regulated market and ongoing conformity with conditions*

(1) A regulated market may only be operated by a market operator authorised to do so by the ministry.

(2) Authorisation pursuant to subsection (1) shall only be granted where the ministry deems that the conditions in chapters 11 and 12 and supplementary regulations are met.

(3) The market operator is responsible for ensuring that the regulated market and the market operator itself organises its business in such a way that it conforms at all times with this Act and with the terms and conditions of the authorisation, and shall inform the ministry of any material changes in the assumptions underlying the authorisation. The market operator shall be entitled to exercise rights on behalf of the regulated market under this Act.

(4) Undertakings not authorised as market operator of a regulated market under this Act shall not use the designation 'regulated market' in or as an addition to its name, or in referring to its activities, if such use is likely to create the impression that the firm has authorisation pursuant to this Act.

(5) The ministry may by regulations prescribe which provisions under the Act shall apply to both the market operator and the regulated market where these are two different legal entities.

(6) The ministry may make regulations to supplement this section.

Section 11-2 *Application for authorisation*

(1) The market operator shall in its application for authorisation submit all information needed by the ministry to ensure that the statutory requirements applicable to regulated markets and market operators are met, including a programme of operations in which it provides, inter alia, information on the nature of the business and the organisation thereof. Draft rules and terms of business shall be appended to the application. The ministry may request further information.

(2) The decision regarding authorisation shall be communicated to the applicant as soon as possible and at the latest six months after the application was received. If the application does not contain information necessary to decide whether authorisation should be granted, the time limit runs from the date on which such information was received.

(3) The ministry may make regulations to supplement this section.

Section 11-3 *Modification and withdrawal of authorisation*

(1) The ministry may entirely or in part modify, set new conditions for or withdraw the authorisation of a market operator if:

1. the market operator fails to use the authorisation within twelve months of issue, expressly renounces the authorisation or has ceased to operate the regulated market more than six months previously,
2. the market operator has obtained the authorisation by using incorrect information or by other irregular means,
3. the market operator no longer meets the conditions under which the authorisation was granted, including the requirement for own funds,
4. the market operator has seriously or systematically infringed provisions laid down in or pursuant to law, thus giving reason to fear that continuation of the activity may harm regulated market participants, confidence in the securities market or the institutions operating in the market, or
5. the market operator fails to comply with an order under section 19-7 or the Financial Supervision Act section 4 subsection (1) no. 7.

(2) The ministry may make regulations to supplement this section.

Section 11-4 *Merger and demerger of regulated market etc.*

(1) Any resolution regarding merger or demerger of market operators shall be communicated to the ministry at least three months prior to implementation of the resolution. The same applies upon the disposal of a material part of a business which is subject to authorisation requirements. In case of doubt the ministry shall determine whether the disposal involves a material part of the business which is subject to authorisation requirements. The ministry may, no later than three months from receipt of such notification, refuse the merger, demerger or disposal, set conditions for implementation of the transaction or amend the authorisation.

(2) The ministry may make regulations to supplement this section.

Section 11-5 *Activities abroad*

(1) The market operator of a Norwegian regulated market intending to engage in activities abroad through a subsidiary or branch shall have authorisation from the ministry.

(2) The ministry may make regulations to supplement this section.

II Conditions for authorisation

Section 11-6 *Form of organisation*

(1) The market operator of a regulated market shall be organised as a public limited company.

(2) The ministry may make exceptions from the requirement as to the form of organisation and make regulations to supplement this section.

Section 11-7 *Requirements as to the management of the market operator*

(1) The market operator shall have a board of directors with at least five members. The general manager may not be a member of the board.

(2) Board members, the general manager and others participating in the actual management of the market operator shall have sufficient qualifications and experience, be of good repute and otherwise not have displayed improper conduct giving reason to presume that the position or office will not be discharged in a satisfactory manner. Persons as mentioned in the first sentence shall submit an ordinary criminal record certificate pursuant to the Police Records Act section 40.

(3) The provisions of section 9-10 subsection (2) to (9) apply equally to market operators.

(4) The ministry may make regulations to supplement this section.

Section 11-8 *Duties and responsibilities of the board of directors*

(1) The board of directors has overarching responsibility for the management of the market operator and shall supervise the activities of the undertaking. The board of directors shall ensure that the undertaking is organised and managed in an effective and prudent manner, including in a manner which ensures the segregation of the various parts of the business and the prevention of conflicts of interest, and which promotes the integrity of the market.

(2) The board of directors shall monitor and periodically assess the effectiveness of the market operator's governance arrangements and take appropriate steps to address any deficiencies.

(3) The board members shall have adequate access to information and documents they need to oversee and monitor the decision-making of the market operator's senior management.

(4) The ministry may make regulations to supplement this section.

Section 11-9 *Nomination committee*

The ministry may by regulations make rules requiring market operators to establish a nomination committee.

Section 11-10 *Owner due diligence for regulated markets which are not stock exchanges*

(1) Anyone with a qualifying holding in the market operator of a regulated market which is not a stock exchange, or in the regulated market itself, shall be fit to ensure the sound and prudent management of the undertaking.

(2) 'Qualifying holding' means any direct or indirect holding representing at least 10 per cent of the share capital or the voting rights of the market operator of a regulated market which is not a stock exchange, or of the regulated market itself, or which otherwise makes it possible to exercise substantial influence over the management of the undertaking or the regulated market itself. Acquisition of the right to become a shareholder is deemed equivalent to the holding of shares under the first sentence where this is to be considered a beneficial shareholding.

(3) Any acquisition resulting in the acquirer having a qualifying holding may only take place after Finanstilsynet has been notified thereof in advance by the acquirer. The same applies to any acquisition whereby a holding directly or indirectly exceed 20, 30 or 50 per cent of the share capital or the votes. Subsection (2) second sentence applies.

(4) Shares held or acquired by a shareholder's related party as defined in section 2-5 shall be deemed equivalent to the shareholder's own shares for purposes of subsections (1) to (3). In case of doubt, the ministry shall determine whether shares not held by the shareholder shall be deemed equivalent to the shareholder's own shares.

(5) Notification of an acquisition pursuant to subsection (3) shall include any information necessary to conduct owner due diligence pursuant to this section. Anyone acquiring a qualifying holding shall submit an ordinary criminal record certificate pursuant to the Police Records Act section 40, if so requested by Finanstilsynet. The market operator shall make information available to the public on its owners and on the owners of the regulated market and their holdings.

(6) Finanstilsynet shall within three months of receipt of a complete notification as mentioned in subsection (2) and (3) refuse such acquisition if the shareholder concerned is not deemed fit to ensure the sound and prudent management of the undertaking.

(7) In the event of a disposal causing the size of the holding to fall below the thresholds mentioned in subsections (2) and (3), the divestor shall notify Finanstilsynet accordingly.

(8) The ministry may by regulations lay down rules to supplement this section.

Section 11-11 *Internal controls*

(1) The board of directors of the market operator shall adopt internal control policies and shall ensure that internal controls are established, implemented and documented in a proper manner in accordance with the board of directors' policies and instructions.

(2) The general manager shall ensure that internal controls are established and implemented in accordance with law and regulations and the board of directors' policies and instructions.

(3) The ministry may make regulations to supplement this section.

Section 11-12 *Auditor*

Finanstilsynet may make further rules regarding the duties of the auditor of a market operator.

Section 11-13 *Obligation of confidentiality*

(1) Elected officers and employees of a market operator are under obligation to prevent unauthorised parties from gaining access to, or knowledge of, information about the business or personal affairs of others which may come to their knowledge in the course of their work, except as otherwise laid down in this Act or in other legislation. Nor may such person make use of such information for business purposes or in connection with the purchase or sale of financial instruments. The provisions of the Public Administration Act sections 13 a to 13 e and 13 g apply.

(2) The obligation of confidentiality shall remain in effect after the employment or appointment has terminated.

(3) The obligation of confidentiality under subsections (1) and (2) shall not prevent the disclosure of information to the supervisory authorities.

(4) The ministry may by regulations or by individual decision grant exemptions from the obligation of confidentiality in respect of other regulated markets, securities depositories, central counterparties, foreign supervisory authorities, other public bodies and international or supranational institutions.

(5) The obligation of confidentiality under this section and regulations pursuant to subsections (4) and (6) shall apply equally to any other persons receiving information subject to a statutory obligation of confidentiality from the market operator.

(6) The ministry may make regulations to supplement this section.

Section 11-14 *Disqualification*

(1) Elected officers and employees of a market operator shall not participate in the consideration of or decision in matters of such particular significance to them or any related party that the person concerned must be deemed to have a prominent personal or financial interest in the matter. Nor may such persons participate in the consideration of or decision in matters of significant financial interest to any company, association or other public or private institution with which such persons are associated.

(2) The ministry may by regulations restrict the scope of employees and elected officers to hold directorships or additional position in companies whose financial instruments are admitted to trading on the regulated market concerned. The ministry may set corresponding restrictions for employees and elected officers of undertakings belonging to the same group as the regulated market. The ministry may make regulations to supplement this section.

Section 11-15 *Right to hold financial instruments etc.*

(1) A market operator may not hold financial instruments admitted to trading on a regulated market which it operates, or hold rights attached thereto, with the exception of bonds issued by an EEA state.

(2) Employees of the market operator may only acquire or divest financial instruments to the extent permitted under regulations laid down by the ministry. The ministry may by regulations set restrictions on elected officers' scope to undertake such transactions, and may adopt regulations requiring employees and elected officers to notify their own trades and trades carried out by related parties to the regulated market or Finanstilsynet. The provision of the second sentence applies equally to employees and elected officers of undertakings belonging to the same group as the regulated market.

(3) The ministry may make regulations to supplement this section.

Section 11-16 *Own funds requirement*

(1) A market operator shall at all times have own funds appropriate to the risk inherent in and the volume of the activities carried on by the undertaking.

(2) In assessing the risk of the undertaking, account shall be taken of, inter alia, business risk, contractual risk, operational risk and any other specific risk to which the activities of the undertaking are exposed.

(3) The ministry may make further provision on what shall be regarded as the own funds of an undertaking, as well as on the minimum requirement for own funds.

Section 11-17 *Liquidity requirement*

(1) A market operator shall have a holding of liquid funds, or have access to such funds, which is adequate in relation to the activities and the situation of the undertaking.

(2) The ministry may make regulations to supplement this section.

Section 11-18 *Organisational requirements*

(1) A regulated market shall adopt internal rules and take necessary measures to at all times ensure:

1. identification and management of conflicts of interest between the regulated market, its owners or the market operator on the one hand, and the roles and functions of the market on the other hand,
2. identification and management of material risks to which the business is exposed; that the market has arrangements for the sound operation of the technical system, including effective arrangements in the event of technical disruption,
3. transparent and non-discretionary trading rules and procedures pursuant to section 12-2, including the establishment of objective criteria for efficient execution of orders,
4. facilitation of efficient and timely finalisation of transactions in the system.

(2) The market operator may not execute client orders against proprietary capital or by matched principal trading, see section 9-27 subsection (5), on a regulated market which it operates.

(3) The ministry may make regulations to supplement this section.

Section 11-19 *Resilient systems and circuit breakers on regulated markets*

(1) A regulated market shall have effective systems, procedures and arrangements which at all times ensure that the trading system:

1. is resilient and has sufficient capacity to deal with peak order and message volumes,
2. ensure orderly trading under conditions of severe market stress,
3. are fully tested.

(2) A regulated market shall have contingency plans and systems ensuring continuous operation in the event of failure of the trading system.

(3) A regulated market shall have effective systems and procedures and take necessary steps to reject orders that exceed pre-determined volume and price thresholds, or that are clearly erroneous.

(4) A regulated market may temporarily halt or constrain trading for a short period if there is a significant price movement in a financial instrument on that regulated market or another related market. The regulated market may in exceptional cases cancel, vary or correct any transaction.

(5) A regulated market's parameters for halting trading shall be appropriate and take into account the liquidity of different asset classes and sub-classes, the nature of the market model and the types of market participants. The parameters shall be set such as to avoid significant trading disruptions.

(6) A regulated market shall report the parameters for halting trading and any material changes to those parameters to Finanstilsynet. A regulated market which is considered material in terms of liquidity in a financial instrument shall notify any halt of trading in the financial instrument to Finanstilsynet. The regulated market shall have appropriate systems and procedures in place for such notification.

(7) The ministry may make regulations to supplement this section.

Section 11-20 *Agreements with market makers*

(1) A regulated market shall have written agreements with all investment firms acting as market makers.

(2) A regulated market shall have arrangements to ensure that a sufficient number of investment firms conclude agreements with the regulated market on posting firm quotes in order that the market be provided with liquidity on a regular and predictable basis, where such a requirement is appropriate to the nature and scale of the trading on that regulated market.

(3) The agreements referred to in subsection (1) shall specify the obligations of the market maker in relation to the provision of liquidity and any other obligations imposed on the market maker through participation in the arrangement referred to in subsection (2). The agreements shall also specify any incentives in the form of rebates or otherwise offered to the investment firm to provide liquidity on a regular and predictable basis and, where applicable, any other rights offered upon participation in the arrangement as mentioned in subsection (2).

(4) The regulated market shall monitor and enforce compliance by the market makers with the agreements. The regulated market shall notify Finanstilsynet about the content of the agreements and shall, upon request, make available all necessary information.

(5) The ministry may make regulations to supplement this section.

Section 11-21 *Algorithmic trading*

(1) A regulated market shall have effective systems and procedures and take necessary measures to prevent algorithmic trading systems from creating or contributing to disorderly market conditions, and to manage such market conditions should they nonetheless arise.

(2) A regulated market shall have systems to limit the ratio of unexecuted orders to transactions that may be entered into the system by a member, to be able to slow down the flow of orders if there is a risk of system capacity being exceeded.

(3) A regulated market shall have systems to enforce requirements as to minimum tick size that may be executed on the market; see section 11-24.

(4) A regulated market shall require members to carry out appropriate testing of their algorithms and shall make test environments available for such testing.

(5) A regulated market shall be able to identify, by means of flagging from members, orders generated by algorithmic trading, the different algorithms used for the creation of orders, and the persons initiating those orders.

(6) The ministry may make regulations to supplement this section.

Section 11-22 *Direct electronic access*

(1) The following shall apply to a regulated market that permits direct electronic access:

1. The regulated market shall have effective systems and procedures and take necessary measures to ensure that only members authorised as investment firms under Directive 2014/65/EU or as credit institutions under Directive 2013/36/EU, provide such access. Corresponding systems, procedures and measures are required to ensure that the members have set appropriate criteria for the suitability of users of such access, and that the members are responsible for orders and trades executed using that service in accordance with this Act; see section 9-24.

2. The regulated market shall have appropriate rules on risk control and thresholds on trading through direct electronic access, and shall be able to distinguish, and if necessary stop, orders and trades executed through such access without stopping other orders from the same member.

3. The regulated market shall have arrangements to suspend or terminate direct electronic access provided by a member if the requirements of this provision are not complied with.

(2) The ministry may make regulations to supplement this section.

Section 11-23 *Co-location services and fee structure*

(1) A regulated market shall have transparent, fair and non-discriminatory rules on co-location services.

(2) A regulated market shall have a fee structure, including for execution of orders and for rebates, which is transparent, fair and non-discriminatory. The fee structure shall not create incentives to place, modify or cancel orders or to execute transactions in a way which contributes to disorderly market conditions or market abuse.

(3) A regulated market shall impose market making obligations in individual shares or a basket of shares in exchange for any rebates that are granted.

(4) Fees may be calibrated to each financial instrument. Fees for cancelled orders may be adjusted according to the length of time for which the order is maintained before cancellation. Higher fees may be imposed for an order that is subsequently cancelled, and for members that cancel a large portion of the orders they enter, and for members using high-frequency algorithms insofar as such higher fees reflect the additional burden of such trading on system capacity.

(5) The ministry may make regulations to supplement this section.

Section 11-24 *Minimum tick size*

(1) A regulated market shall have rules on minimum tick size for shares, depositary receipts, exchange-traded funds, certificates and other similar financial instruments.

(2) The rules of subsection (1) shall:

1. reflect the liquidity profile of the financial instruments concerned in different markets and average bid-ask spreads,
2. take into account the need for stable prices without constraining further narrowing of the bid-ask spread,
3. adapt the minimum tick size for each financial instrument appropriately.

(3) The ministry may make regulations to supplement this section.

Section 11-25 *Synchronisation*

(1) A regulated market and its members shall synchronise clocks used to record the date and time of events on a regulated market that are subject to a reporting obligation.

(2) The ministry may make regulations to supplement this section.

Section 11-26 *Transaction reporting on behalf of investment firms*

(1) A regulated market reporting transactions pursuant to Article 26 of the Markets in Financial Instruments Regulation on behalf of investment firms shall have reliable security systems which guarantee security and authentication of the means of information transfer, reduce the risk of data corruption and unlawful access, and prevent information leakage and ensure the confidentiality of the data at all times. A regulated market shall maintain adequate resources and have back-up systems in place in order to offer and maintain its services at all times.

(2) The ministry may make regulations to supplement this section.

Chapter 12 Requirements on the business of regulated markets, appeal board etc.

I Requirements on the business of regulated markets

Section 12-1 *Restrictions on business activities*

(1) The market operator of a regulated market may in addition to operating a regulated market only engage in activities that are naturally related to the operation of the regulated market, and which do not impair confidence in the integrity and independence of the regulated market. In case of doubt, the ministry shall determine whether the conditions of the first sentence are met.

(2) If a market operator engages in clearing operations pursuant to chapter 17, such operations shall be carried out in a separate undertaking. The ministry may by regulations or by individual decision make exceptions from the provision of the first sentence.

(3) Finanstilsynet may order a market operator engaging in other activities to carry out such activities in a separate undertaking.

(4) The ministry may make regulations to supplement this section.

Section 12-2 *Admission of financial instruments to trading etc.*

(1) A regulated market shall have clear and transparent rules on admission of financial instruments to trading. Such rules shall ensure that financial instruments can be traded in a fair, orderly and efficient manner and, in the case of transferable securities, see section 2-4 subsection (1), are freely negotiable.

(2) Where derivatives are admitted to trading, the rules shall ensure that the derivative contracts are designed in such a manner as to facilitate orderly pricing and effective settlement conditions.

(3) The regulated market shall have effective arrangements to verify that issuers of transferable securities that are admitted to trading comply with their obligations under chapters 5 and 7.

(4) The regulated market shall have arrangements which facilitate its members' access to information made public pursuant to chapters 5 and 7.

(5) The regulated market shall have necessary arrangements to regularly review compliance with the conditions for admission of financial instruments to trading.

(6) Transferable securities already admitted to trading on another regulated market may be admitted to trading on a regulated market without the consent of the issuer, provided that the provisions of chapter 7 are complied with. The regulated market shall notify the issuer that such admission to trading is taking place. The issuer shall not be subject to any obligation to provide information as the result of such admission.

(7) The market operator may require an issuer of financial instruments that are admitted, or whose admission is requested, to trading on the regulated market, and the issuer's elected officers and employees, to disclose, without regard to any confidentiality obligation, any information necessary to enable the market operator to comply with its statutory obligations. The first sentence applies mutatis mutandis to any other person that regularly performs managerial functions for the issuer. The first sentence further applies mutatis mutandis to any other person who has applied for admission of financial instruments to trading.

(8) The ministry may make regulations to supplement this section.

Section 12-3 *Suspension and removal of financial instruments*

(1) A market operator may suspend or remove from trading on the regulated market a financial instrument which no longer complies with the regulated market's terms and conditions. The market operator may nonetheless not suspend or remove a financial instrument from the regulated market if this would be likely to cause significant damage to the holders of the instrument or the roles and functioning of the market.

(2) A market operator that suspends or removes a financial instrument shall also suspend or remove any derivatives that have the financial instrument concerned as their underlying where this is necessary to support the objective of the suspension or removal of the underlying financial instrument.

(3) Anyone suspending or removing a financial instrument from trading on a regulated market shall immediately make public the decision and inform Finanstilsynet accordingly.

(4) Finanstilsynet shall require that trading venues and systematic internalisers which trade the financial instrument concerned suspend or remove the instrument from trading if the suspension or removal decision is grounded in a takeover bid, suspected market abuse or the non-disclosure of inside information about the issuer or the financial instrument in infringement of Articles 7 and 17 of the Market Abuse Regulation, see section 3-1, except where this could cause significant damage to the holders of the instrument or the functioning of the market. Finanstilsynet shall immediately make public such a decision and communicate it to the European Securities and Markets Authority and competent supervisory authorities of other EEA states.

(5) Finanstilsynet may decide that the market operator shall suspend or remove from a regulated market pursuant to subsections (1) and (2) a financial instrument which no longer complies with the conditions for admission to trading.

(6) The ministry may make regulations to supplement this section.

Section 12-4 *Membership of a regulated market*

(1) A regulated market shall have in place transparent and non-discriminatory rules, based on objective criteria, governing membership of or access to the market.

(2) The rules mentioned in subsection (1) shall describe a member's obligations arising from:

1. the regulation of, and activities in, the regulated market,
2. the market's trading rules,
3. professional standards for employees of investment firms or credit institutions participating on the market,
4. the conditions applicable to members that are not investment firms or credit institutions,
5. rules and procedures for settlement and clearing of transactions concluded on the regulated market.

(3) A regulated market may admit investment firms and credit institutions as members. A regulated market may also admit other legal entities and natural persons as members, provided that these:

1. are of sufficient good repute,
2. have sufficient ability, competence and experience relating to trading and transactions,
3. have, where relevant, adequate organisational arrangements, and
4. have the necessary financial resources, taking into account various arrangements for guaranteeing the correct settlement of transactions.

(4) The requirements of sections 10-9 to 10-21 do not apply to transactions concluded between members on a regulated market. The requirements of sections 10-9 to 10-21 nonetheless apply to members' clients when orders are executed, on behalf of clients, on a regulated market.

(5) The market operator shall give undertakings with their head office in another EEA state that are authorised to provide investment services or perform investment activities access to membership of the regulated market on the same conditions as other members.

(6) The market operator shall notify Finanstilsynet if it intends to establish arrangements in another EEA state that may facilitate access to, and trading opportunities on, the market for remote members. Finanstilsynet shall within one month communicate such information to the supervisory authority of the other EEA state.

(7) The market operator shall, on a regular basis, send a list of the members of the regulated market to Finanstilsynet.

(8) Members of a regulated market, as well as elected officers and employees of members, are obliged, without regard to any confidentiality obligation, to provide the market operator of the regulated market with any information that is required to enable the market operator to comply with its obligations under this Act and other legislation.

(9) The ministry may make regulations to supplement this section.

Section 12-5 *Market monitoring*

(1) A regulated market shall establish effective arrangements and procedures, including having the necessary resources, to ensure regular monitoring of members' compliance with the market's own rules. Regulated markets shall monitor orders sent, cancellations of orders and transactions on the market in order to identify infringements of relevant laws and rules, including the market abuse provisions in chapter 3, the market's own rules and other unlawful trading conditions, as well as trading system disruptions in relation to a financial instrument.

(2) The market operator of the regulated market shall immediately notify Finanstilsynet of any suspicion of significant infringement of relevant laws and regulations, the market's own rules or other unlawful trading conditions, as well as of any trading system disruptions in relation to a financial instrument.

(3) The market operator may require a securities depository and a central counterparty to provide, without regard to any confidentiality obligation, any information necessary to enable the regulated market to fulfil its obligations under subsections (1) and (2). The information shall not be used for any other purpose.

(4) The ministry may make regulations to supplement this section.

Section 12-6 *Designation of settlement system*

Members of a regulated market shall have the right to designate a settlement system for transactions in financial instruments undertaken on that market, subject to the following conditions:

1. there are such links and agreements between the designated settlement system and any other systems or arrangements as are necessary to ensure effective and economic settlement of the transaction in question, and
2. Finanstilsynet agrees that use of a settlement system other than that designated by the regulated market offers technical conditions that are conducive to ensuring that the financial markets function in a smooth and orderly manner.

Section 12-7 *Admission to trading of financial instruments issued by a regulated market*

(1) A regulated market may not admit to trading transferable securities issued by the market operator of the regulated market, any undertaking in the same group as the market operator, or any financial instruments linked to such securities, without the consent of the ministry.

(2) The ministry may give consent for a regulated market to admit to trading transferable securities issued by an undertaking belonging to the same group as the market operator of the regulated market concerned or financial instruments linked to such securities. Such consent may be granted subject to conditions, including a requirement that such undertaking be placed under special supervision by Finanstilsynet, and that such undertaking be subject to a disclosure obligation towards Finanstilsynet.

(3) The ministry may make further provision on procedures, decisions and controls in respect of admission of such securities to trading, ongoing trading and supervision of the issuer and the regulated market.

Section 12-8 *Cumulative daily fine*

(1) In the event of an order issued under section 12-2 subsection (7) or section 12-4 subsection (8) requiring information disclosure, a market operator may impose a cumulative fine that runs for each day that passes after the expiry of the deadline set for compliance with the order until such time as the order is complied with.

(2) The ministry may make regulations to supplement this section, including on the size and duration of the fine, to whom the fine shall fall, waiver of an accrued fine, whether it should be grounds for enforcement by distraint, late payment interest and other provisions with regard to collection.

Section 12-9 *Infringement penalty*

(1) In the event of infringement of sections 11-20 to 11-22, section 11-25 or chapter 12 or regulations made to supplement those provisions, or in the event of material breach of a regulated market's rules or terms of business, the market operator may order the issuer of financial instruments admitted to trading on the regulated market concerned or members of the regulated market concerned to pay an infringement penalty.

(2) The ministry may make regulations to supplement this section, including on the penalty's size, limitation, to whom the penalty shall accrue, whether it should be grounds for enforcement by distraint, late payment interest and other provisions with regard to collection.

II Application of the Public Administration Act, appeal board etc.

Section 12-10 *Application of the Public Administration Act to decisions made by a market operator*

(1) Where a market operator adopts decisions under sections 12-2, 12-3, 12-4, 12-8, 12-9 or section 13-2, the Public Administration Act chapters III, IV, V, VIII, with the exception of section 13, shall apply except as otherwise provided by this Act or regulations pursuant to this Act.

(2) Subsection (1) applies equally where supervision is delegated to a market operator under section 19-1 subsections (3) and (4), and the operator adopts decisions under chapter 19 or 21, and where the takeover supervisory authority makes orders under chapter 6, 19 or 21. In addition, the Public Administration Act chapter VI concerning appeal against and reversal of administrative decisions, and chapters IX and X on administrative sanctions and coercive fines, applies to such decisions except as otherwise provided by this Act or regulations pursuant to this Act.

(3) The ministry may by regulations make further provision concerning administrative procedure and expenses related to decisions pursuant to this section, including exemptions from the Public Administration Act. The ministry may also make provision regarding appeal against and reversal of administrative decisions under this section, including on the right of appeal and

exceptions from the right of appeal and requiring the operator of a regulated market to have in place an appeal arrangement and further provision regarding such appeal arrangement.

Section 12-11 *Appointment of appeal board and its powers etc.*

(1) The ministry may appoint a designated appeal board to decide appeals against decisions as mentioned in section 12-10. The appeal board shall have a chair and a deputy chair, both of whom shall hold a postgraduate degree in law.

(2) The appeal board may in disputes between private parties act as an arbitral tribunal under further rules laid down by the ministry.

(3) The Public Administration Act is applicable to the activities of the appeal board except as otherwise provided by this Act or regulations made pursuant to this Act.

(4) The obligation of confidentiality under section 11-13 and regulations pursuant to section 11-13 apply equally to the appeal board.

(5) The ministry may by regulations provide that decisions referred to in subsection (1) first sentence shall not be decided by the appeal board, and that appeals against other decisions with a basis in this Act shall be decided by the appeal board. The ministry may also make further provision regarding time limits, the content of an appeal, appeal reply and oral proceedings and concerning the composition and activity of the appeal board, including coverage of the board's expenses.

Section 12-12 *Coverage of the appeal board's expenses*

(1) The appeal board's expenses shall be met by regulated markets based on an apportionment determined by the ministry, account being taken of the appeal board's recommendation. The ministry shall determine the remuneration of the members.

(2) A fee may be charged for considering appeals pursuant to section 12-11. The ministry may issue further provision on when fees shall be charged, on the amount of such fees and on their collection.

(3) The ministry may make further provision as to when a party may be awarded legal costs from central funds, and on the right of a party to recover legal costs from other parties.

Section 12-13 *Recourse to legal action*

(1) Legal action may not be brought against a decision as referred to in section 12-10 until the right of appeal has been exercised. The appeal board may in special cases decide that legal action may nonetheless be brought against the decision. The time limit for bringing legal action is six months from the date on which the appeal board delivered its ruling or granted permission to bring legal action.

(2) Any legal action against a decision made by the market operator of a regulated market shall be brought against the undertaking concerned. The State may at any stage enter the proceedings as an accessory intervener and may, by agreement with the market operator, take over the case.

(3) The ministry may make regulations to supplement this section.

Chapter 13 Authorisation and other requirements for operating as a stock exchange

Section 13-1 *Authorisation to operate as a stock exchange etc.*

(1) A stock exchange may only be operated by a market operator authorised to do so by the ministry.

(2) An undertaking not authorised as market operator of a stock exchange under this Act may not use the designation stock exchange in or as an addition to its name, or in referring to its activities, if such use is likely to create the impression that the firm has authorisation pursuant to this Act.

(3) The articles of association and amendments thereto shall be submitted to the ministry for approval. The ministry may issue regulations on the contents and approval of the articles of association of the market operator.

(4) Any resolution on the disposal of a material part of the business which is subject to authorisation requirements shall be adopted by the general meeting with the same majority as that required for amendments to the articles of association.

(5) The ministry may by regulations lay down which provisions of the Act shall apply to both the market operator and the stock exchange where these are two different legal entities.

(6) The ministry may make regulations to supplement this section.

Section 13-2 *Admission of financial instruments to trading on a stock exchange*

(1) Financial instruments may be admitted to trading on a stock exchange pursuant to the provisions of section 12-2, and regulations laid down pursuant to section 12-2, as well as the stock exchange's own rules, if the stock exchange concerned considers the financial instruments to be suited for trading and likely to be subject to regular trading.

(2) The ministry may make regulations to supplement this section.

Section 13-3 *Supervision of holdings in a stock exchange*

(1) An acquisition whereby the acquirer becomes the owner of a qualifying holding in the market operator of a stock exchange, or in the stock exchange itself, requires authorisation from the ministry. 'Qualifying holding' means any direct or indirect holding representing at least 10 per cent of the share capital or the voting rights, or which otherwise makes it possible to exercise substantial influence over the management of the undertaking. Shares held or acquired by shareholders as mentioned in section 2-5 are deemed equivalent to the acquirer's own shares. The acquisition of a right to become the holder of shares shall be deemed equivalent to the holding of shares for purposes of the first to third sentence where this must be considered a beneficial shareholding.

(2) Any acquisition whereby the holding directly or indirectly exceeds 20, 30 or 50 per cent of the share capital or the voting rights of a stock exchange requires authorisation from the ministry. Subsection (1) third and fourth sentence applies with equal effect.

(3) Applications for authorisation pursuant to subsections (1) and (2) shall be sent separately for each shareholder who as a result of the acquisition directly or indirectly acquires a holding in a stock exchange that reaches or exceeds 10, 20, 30 or 50 per cent.

(4) Authorisation pursuant to subsections (1) and (2) may only be granted where the acquirer is deemed fit to ensure the sound and prudent management of the undertaking. In such assessment particular emphasis shall be given to the following:

1. the previous conduct of the acquirer,
2. the financial resources available to the acquirer, as well as considerations relating to sound operations,
3. whether such ownership could have undesired consequences for the functioning of financial markets, or the ability of the stock exchange to serve the Norwegian capital market,
4. the scope for conducting effective supervision, including whether cooperation has been established with the supervisory authorities of the acquirer's home state,
5. whether such ownership could affect the rights and obligations of the participants on the stock exchange concerned,
6. whether the underlying ownership structure of the acquirer is consistent with the objectives of this section,
7. whether there are grounds for assuming that money laundering or financing of terrorism, or any attempt to commit such an act, is taking place in connection with the acquisition, or that the acquisition will increase the risk of such an act.

(5) An application for authorisation pursuant to subsections (1) and (2) shall be submitted to Finanstilsynet with a copy to the ministry. Anyone acquiring a qualifying holding shall submit an ordinary certificate of good conduct pursuant to the Police Records Act section 40, if so requested by Finanstilsynet.

(6) Where a disposal of shares results in the size of the holding falling below the thresholds mentioned in subsections (1) and (2), Finanstilsynet shall be notified accordingly.

(7) The ministry may by regulations lay down rules to supplement this section, including further rules on the contents of the application, rules on processing of the application, as well as rules on the obligation to give notification of owners of qualifying holdings in the undertaking, and on obligations for legal entities with qualifying holdings in the undertaking to give notification of the identity of those appointed to their board of directors and senior management.

Section 13-4 *Acquisition without authorisation*

(1) If a shareholder has acquired shares without the requisite authorisation pursuant to section 13-3, the ministry may set a time limit for reducing the holding or applying for the requisite authorisation. If that time limit is overstepped, the ministry may sell the shares. The provisions of the Enforcement Act on the forced sale of financial instruments apply insofar as applicable. The

Enforcement Act section 10-6, cf. section 8-16, is not applicable. The shareholder shall be notified that a forced sale will be made no less than two weeks before such sale is carried out.

(2) Until a divestment or forced sale has taken place, the shareholder may not, in respect of any portion of the shares in excess of the permitted level, exercise any rights in the company other than the right to receive dividends and to exercise pre-emption rights in the event of an increase of capital.

(3) The ministry may make regulations to supplement this section.

Section 13-5 *Control committee*

The ministry may by regulations make rules requiring the market operator of a stock exchange to have a control committee, including rules on the control committee's composition, tasks, mandate and its duty to report to Finanstilsynet.

Section 13-6 *Halt to trading*

(1) The ministry may in exceptional circumstances decide that all trading on a stock exchange shall be halted. Where possible, the views of the stock exchange and Finanstilsynet shall be obtained before such a decision is adopted. If it is not possible to wait for a decision by the ministry, such decision may be made by Finanstilsynet. If it is not possible to await Finanstilsynet's decision, such decision may be made by the stock exchange.

(2) The ministry may make regulations to supplement this section.

Part 5 Data reporting services

Chapter 14 Authorisation of and conditions for data reporting services providers

Section 14-1 *Definitions of data reporting services*

(1) 'Data reporting services' means:

1. operation of an approved publication arrangement,
2. operation of a consolidated tape provider,
3. operation of an approved reporting mechanism.

(2) 'Approved publication arrangement' means an undertaking authorised to publish trade reports on behalf of an investment firm under Articles 20 and 21 of the Markets in Financial Instruments Regulation.

(3) 'Consolidated tape provider' means an undertaking authorised to collect trade reports on financial instruments under Articles 6, 7, 10, 12, 13, 20 and 21 of the Markets in Financial Instruments Regulation from regulated markets, MTFs, OTFs and approved publication arrangements, and to consolidate them into a continuous electronic live data stream providing price and volume data for each financial instrument.

(4) ‘Approved reporting mechanism’ means an undertaking authorised to report information on transactions on behalf of investment firms to the supervisory authority or the European Securities and Markets Authority.

(5) ‘Data reporting services provider’ means an undertaking providing data reporting services on a professional basis.

(6) The ministry may make regulations to supplement this section.

Section 14-2 *Authorisation to provide data reporting services*

(1) Data reporting services provided on a professional basis by undertakings with their head office in Norway may only be provided under authorisation from Finanstilsynet. The authorisation shall specify which data reporting services the undertaking may provide.

(2) A market operator or an investment firm with authorisation to operate a trading venue may provide data reporting services without a separate authorisation if it is documented that the undertaking meets the requirements of this chapter. Which data reporting services the undertaking may provide shall be specified in the undertaking's authorisation.

(3) Authorisation may only be granted provided Finanstilsynet deems that the conditions for providing data reporting services under this chapter are met.

(4) An undertaking providing data reporting services shall organise its business such as to comply at all times with the provisions of this chapter and the conditions for authorisation. The undertaking shall inform Finanstilsynet of any material changes to the assumptions underlying authorisation.

(5) The ministry may make regulations to supplement this section.

Section 14-3 *Application for authorisation*

(1) An application for authorisation shall include all information necessary to demonstrate that the undertaking complies with the requirements of this chapter, including a programme of operations stating the services envisaged and the organisational structure of the undertaking.

(2) The decision regarding authorisation shall be communicated to the applicant as soon as possible and no later than six months after the submission of a complete application.

(3) The ministry may make regulations to supplement this section.

Section 14-4 *Modification and withdrawal of authorisations*

(1) Finanstilsynet may entirely or in part modify, set new conditions or withdraw authorisation to provide data reporting services if the undertaking:

1. fails to use the authorisation within twelve months, expressly renounces it or has provided no data reporting services for the preceding six months,
2. has obtained the authorisation by providing incorrect information or by other irregular means,

3. no longer meets the conditions under which the authorisation was granted,
4. has seriously or systematically infringed provisions laid down in or pursuant to law, thus giving reason to fear that continuation of the activity may harm the clients of the undertaking, the users of reported data, confidence in the securities market or the institutions operating in the market, or
5. the undertaking fails to comply with an order under section 19-7 or the Financial Supervision Act section 4, subsection (1) no. 7.

(2) The ministry may make regulations to supplement this section.

Section 14-5 Requirements for the management body of a data reporting services provider

(1) Board members, the general manager and others participating in the actual management of a data reporting services provider shall have sufficient qualifications and experience, be of good repute and otherwise not have displayed improper conduct giving reason to presume that their position or office will not be discharged in a satisfactory manner. Persons falling within the scope of the first sentence shall submit an ordinary criminal record certificate pursuant to the Police Records Act section 40.

(2) The provisions of section 9-10 subsection (2) and subsections (5) to (9) apply equally to data reporting services providers.

(3) The ministry may make regulations to supplement this section.

Section 14-6 Duties and responsibilities of the board of directors

The provisions of section 11-8 apply equally to the board of directors of a data reporting services provider.

Section 14-7 Organisational requirements for approved publication arrangements (APAs)

(1) An approved publication arrangement shall have adequate policies and arrangements to make public the information required under Articles 20 and 21 of the Markets in Financial Instruments Regulation as close to real time as is possible, and on reasonable commercial terms.

(2) The information under subsection (1) shall be made available free of charge 15 minutes after the APA has published it.

(3) Publication pursuant to subsection (1) shall take place efficiently and consistently and in a way that ensures fast access to the information.

(4) Publication shall be non-discriminatory and in a format that facilitates consolidation of the information with similar data from other sources.

(5) The information made public pursuant to subsection (1) shall include at least the following:

1. the identifier of the financial instrument,
2. the price at which the transaction was concluded,
3. the volume of the transaction,
4. the time of the transaction,

5. the time the transaction was reported,
6. the price notation of the transaction,
7. the code for the trading venue the transaction was executed on or, where the transaction was executed via a systematic internaliser, the code "SI" or otherwise the code "OTC", and
8. an indicator that the transaction was subject to specific conditions, if applicable.

(6) An APA shall have effective administrative arrangements to prevent conflicts of interest with its clients. An APA which is also a market operator or investment firm shall treat all information collected in a non-discriminatory manner and have suitable arrangements to separate different business functions.

(7) An APA shall have reliable security systems designed to guarantee security in information transmission, reduce the risk of data corruption and unlawful access, and prevent information leakage before publication. The approved publication arrangement shall maintain adequate resources and have back-up systems in place in order to offer and maintain its services at all times.

(8) An APA shall have systems that can effectively check trade reports for completeness, identify omissions and obvious errors and request retransmission of any erroneous reports.

(9) The ministry may make regulations to supplement this section.

Section 14-8 *Organisational requirements for consolidated tape providers (CTPs)*

(1) A consolidated tape provider shall have adequate policies and arrangements to collect the information made public pursuant to Articles 6 and 20 of the Markets in Financial Instruments Regulation, consolidate it into a continuous electronic data stream and make the information available to the public as close to real time as is technically possible and on reasonable commercial terms. The information shall be made available on a non-discriminatory basis and in formats that are easily accessible and utilisable for the market participants. The provisions of section 14-7 subsections (2) and (3) apply to information referred to in the first sentence.

(2) Subsection (1) applies equally to the information made public pursuant to Articles 10 and 21 of the Markets in Financial Instruments Regulation.

(3) The provisions of section 14-7 subsection (5) nos. 1 to 8 apply equally to the information made public pursuant to subsections (1) and (2). The information made public pursuant to subsection (1) shall also, where applicable, specify that a computer algorithm within the investment firm was responsible for the investment decision and the execution of the transaction. The information made public pursuant to subsection (1) shall also indicate which of the waivers the transaction was subject to if the obligation to make public the information referred to in Article 3(1) of the Markets in Financial Instruments Regulation was waived in accordance with point (a) or (b) of Article 4(1) of the said Regulation.

(4) The provisions of section 14-7 subsections (6) and (7) on the handling of conflicts of interest, security systems etc. apply equally to a CTP.

(5) A CTP shall ensure that the data provided is consolidated from all regulated markets, MTFs, OTFs and APAs, and encompasses the specified financial instruments.

(6) The ministry may make regulations to supplement this section.

Section 14-9 *Organisational requirements for approved reporting mechanisms (ARMs)*

(1) An ARM shall have adequate policies and arrangements to report the information required under Article 26 of the Markets in Financial Instruments Regulation as quickly as possible, and no later than the close of the first working day following the day on which the transaction took place. Such information shall be reported in accordance with the requirements of Article 26 of the Markets in Financial Instruments Regulation.

(2) The provisions of section 14-7 subsections (6) and (7) on the handling of conflicts of interest, security systems etc. apply equally to an ARM.

(3) An ARM shall have systems that can effectively check transaction reports for completeness and identify omissions and obvious errors caused by the investment firm. Where such errors or omissions occur, the ARM shall inform the investment firm accordingly and request retransmission of any erroneous reports.

(4) An ARM shall have systems to enable the approved reporting mechanism to detect errors or omissions caused by the ARM itself, and to correct and transmit, or retransmit as the case may be, correct and complete transaction reports to Finanstilsynet.

(5) The ministry may make regulations to supplement this section.

Section 14-10 *Activities in Norway of undertakings with their head office in another EEA state*

(1) Data reporting services may be provided in Norway by undertakings with their head office in another EEA state.

(2) Undertakings referred to in subsection (1) must have authorisation to provide such data reporting services and be subject to supervision in their home state.

Part 6 The market for commodity derivatives, emission allowances etc.

Chapter 15 Establishment, reporting and enforcement of position limits

Section 15-1 *Establishment of position limits*

(1) Finanstilsynet shall establish and apply clear quantitative limits on the size of a net position a natural person or legal entity can hold at all times in commodity derivatives traded on Norwegian trading venues and economically equivalent OTC contracts (position limits). The position limits shall be established and applied in order to prevent market abuse and to maintain orderly price formation and settlement conditions.

(2) The position limits shall be established on the basis of all positions held by a natural person or legal entity on its behalf at an aggregate group level.

(3) Position limits shall be established for each commodity derivative traded on a trading venue and economically equivalent OTC contracts based on a specific methodology for calculation. The methodology for calculation shall be applied to establish position limits for the spot month and for other months based on the characteristics of the derivative and the market for the underlying commodity.

(4) Finanstilsynet shall review and, if applicable, reset position limits where there are significant changes in the available quantity of the underlying commodity or the number of open positions, or any other significant change in the market.

(5) Finanstilsynet may in special cases establish more restrictive position limits than those implied by the methodology for calculation under subsection (3) with supplementary regulations where this is objectively justified and proportionate. When establishing more restrictive position limits the supervisory authority shall take into account the liquidity of the specific market and the orderly functioning of that market. The more restrictive position limit shall be published on the website of Finanstilsynet and shall be valid for a maximum of six months from the date of its publication. The more restrictive position limit may be renewed for periods of up to six months at a time. If the more restrictive position limit is not renewed after the end of the six-month period, it shall automatically expire.

(6) The competent authority for a trading venue in another EEA state shall establish position limits for commodity derivatives traded on a trading venue in such EEA state and economically equivalent OTC contracts.

(7) Where the same commodity derivative is traded in significant volumes on trading venues in more than one EEA state, the position limits shall be established by the competent authority for the trading venue where the largest trading volume in that commodity derivative takes place (the central competent authority).

(8) No-one may hold positions in commodity derivative contracts in excess of position limits established by the supervisory authority pursuant to subsections (1), (6) or (7) and in conformity with Article 57 of Directive 2014/65/EU.

(9) Non-financial undertakings may apply for exemption from the requirement under subsection (8) in respect of positions which are objectively measurable as reducing the risks directly relating to the commercial activity of that undertaking. The application shall be addressed to the supervisory authority which established the position limit for the derivative concerned.

(10) The ministry may make regulations to supplement this section.

Section 15-2 *Position management controls*

(1) An investment firm or a market operator operating a trading venue which trades commodity derivatives shall apply position management controls. Those controls shall include the powers for the trading venue to:

1. monitor the open positions of persons,
2. access information, including all relevant documentation, from persons about:

- (a) the size and purpose of a position or exposure entered into,
 - (b) beneficial or underlying owners,
 - (c) any concert arrangements,
 - (d) any related assets or liabilities in the underlying market,
3. require a person to temporarily or permanently terminate or reduce a position and to unilaterally take appropriate steps to ensure that the position is terminated or reduced if the person does not comply with such requirement, and
 4. require a person to temporarily provide liquidity back into the market at an agreed price and in an agreed volume to mitigate the effect of a large and dominant position.

(2) The investment firm or the market operator shall apply the controls pursuant to subsection (1) in a transparent and non-discriminatory manner and provide the market participants with relevant information on such controls. The controls shall be tailored to the nature and composition of market participants and the use they make of commodity derivative contracts submitted to trading on the trading venue.

(3) The investment firm or market operator shall provide Finanstilsynet with information on the position management controls in respect of each trading venue it operates.

(4) The ministry may make regulations to supplement this section.

Section 15-3 *Position reporting*

(1) An investment firm or a market operator operating a trading venue which trades commodity derivatives, emission allowances or derivatives with emission allowances as the underlying shall report positions in the following manner:

1. If the number of persons and their open positions exceed a minimum threshold, the investment firm or market operator shall make public a weekly report on the aggregate positions held by the different categories of persons mentioned in subsection (4), for the different commodity derivatives or emission allowances or derivatives thereof traded on their trading venues. The report shall specify:
 - (a) the number of long and short positions by category,
 - (b) changes to the positions since the previous report,
 - (c) the percentage of the total number of open positions for each category, and
 - (d) the number of persons holding a position in each category.
2. The weekly report shall be submitted to Finanstilsynet and the European Securities and Markets Authority.
3. The investment firm or the market operator shall at least on a daily basis provide Finanstilsynet with a complete breakdown of positions held by all persons on the affected trading venue, including the members and their clients.

(2) An investment firm trading in commodity derivatives, emission allowances or derivatives with emission allowances as the underlying outside a trading venue, shall at least on a daily basis provide the supervisory authority of the trading venue where the commodity derivatives, emission allowances or derivatives with emission allowances as the underlying are traded with a complete

breakdown of their positions, including positions held by their clients and the clients of those clients until the end client is reached, in

1. the instruments mentioned traded on a trading venue, and
2. in economically equivalent OTC contracts.

(3) Members of regulated markets, participants of MTFs and clients of OTFs shall at least on a daily basis report the following to the investment firm or market operator operating the trading venue:

1. details of their own positions held through contracts traded on that trading venue, and
2. details of the positions held by their clients and the clients of those clients until the end client is reached.

(4) An investment firm or market operator operating a trading venue shall classify persons holding positions in commodity derivatives, emission allowances or derivatives with emission allowances as the underlying according to the nature of their main business, as either:

1. investment firms or credit institutions,
2. investment funds, either an undertaking for collective investment in transferable securities as defined in Directive 2009/65/EC, or an alternative investment fund manager as defined in Directive 2011/61/EU,
3. other financial institutions, including insurance undertakings and reinsurance undertakings as defined in Directive 2009/138/EC, and institutions for occupational retirement provision as defined in Directive 2003/41/EC,
4. commercial undertakings, or
5. operators with compliance obligations under Directive 2003/87/EC.

(5) The reports mentioned in subsection (1) no. 1 and the breakdowns mentioned in subsection (2) shall differentiate between positions which in an objectively measurable way reduce risks relating to the commercial activity, and other positions.

(6) The ministry may make regulations to supplement this section.

Section 15-4 *Disclosure obligation and order to refrain*

(1) Finanstilsynet may require the disclosure of information, including all relevant documentation, on the size and purpose of positions and exposures held through commodity derivatives, and on any assets or liabilities in the underlying market.

(2) Finanstilsynet may require the size of a position to be reduced to a size equal to below a position limit established pursuant to section 15-1 and supplementary regulations if the holder acts contrary to the provisions of this chapter with appurtenant regulations, or it is deemed necessary in order to prevent market abuse or to maintain orderly pricing and settlement conditions.

(3) Finanstilsynet may adopt an administrative decision ordering a person to refrain from concluding new commodity derivative contracts if such person infringes the provisions of this

chapter with appurtenant regulations, or it is deemed necessary in order to prevent market abuse or to support orderly pricing and settlement conditions.

(4) The ministry may make regulations to supplement this section.

Section 15-5 *Scope of application*

(1) Section 15-4 on the disclosure obligation and orders to refrain, and section 21-4 on the penalty for infringement of section 15-1, apply irrespective of whether the market participant is established or engaged in activities in Norway, provided a position in a commodity derivative traded on a trading venue in Norway or in economically equivalent OTC contracts is involved and the position limit is established by Finanstilsynet pursuant to section 15-1 and supplementary regulations.

(2) Position limits established by a competent authority pursuant to section 15-1 subsections (1), (6) and (7) in accordance with Article 57 of Directive 2014/65/EU shall be applied for purposes of Finanstilsynet's decisions under the Securities Trading Act section 15-4 on the disclosure obligation and orders to refrain and the Securities Trading Act section 21-4 on the penalty for infringement of the Securities Trading Act section 15-1.

Part 7 Securities settlement

Chapter 16 General provisions

Section 16-1 *Execution of orders*

Investment services as mentioned in section 2-1 subsection (2) shall be provided in the name of the investment firm. The investment firm is responsible to the principal and to the party with whom it concludes an agreement for due performance of orders that it has executed. The investment firm is not responsible to the principal in cases where the principal has approved the other party beforehand.

Section 16-2 *Investment firm's right of security*

(1) An investment firm has the right to retain the financial instruments it has purchased for a principal with respect to any claim arising from the assignment.

(2) If the principal fails to pay within three days of the agreed settlement date, the firm may itself sell the financial instruments for the principal's account to cover its claims, unless other agreement has been made.

(3) A cover sale as mentioned in subsection (2) shall be effected at market price or a price that is reasonable in relation to the market situation.

Section 16-3 *General rules of invalidity*

In case of purchase or sale of financial instruments through an investment firm the ordinary rules of contract invalidity apply to the relationship between the purchaser and the seller.

Section 16-4 *Objection in case of delayed performance*

Where a party fails to honour his obligations by the agreed date the other party must, except as otherwise agreed, immediately notify the matter if he wishes to invoke such delay as a basis for terminating the agreement.

Chapter 17 OTC derivatives, central counterparties and trade repositories

Section 17-1 *OTC derivatives, central counterparties and trade repositories*

(1) EEA Agreement Annex IX No. 31bc (Regulation (EU) No. 648/2012) on OTC derivatives, central counterparties and trade repositories (EMIR), as amended by Directive (EU) 2015/849 and Regulation (EU) 2017/2402, applies as law with such modifications as follow from Annex IX, Protocol 1 to the Agreement and the Agreement in general.

(2) The ministry may by regulations make further provision on OTC derivatives, central counterparties and trade repositories.

(3) The ministry may by regulations make amendments to, including exemptions from, the provisions implemented in subsection (1) to implement Norway's obligations under the EEA Agreement.

(Not yet in force)

Section 17-2 *National supervisory authority*

Finanstilsynet is the competent authority under the provisions implemented in section 17-1 subsection (1) or in regulations supplementing those provisions.

Section 17-3 *Obligation of confidentiality and surrender of information*

(1) Anyone performing services or work for a central counterparty shall treat as confidential any information about the personal or business affairs of others which comes to their knowledge in the course of their work, except as otherwise prescribed by law or regulations.

(2) The obligation of confidentiality under subsection (1) shall not prevent the surrender to a regulated market of such information as is necessary for that regulated market to comply with its obligations under section 12-5.

(3) Where the EFTA Court hears a case concerning the provisions implemented in section 17-1 subsection (1) or in regulations supplementing those provisions, any person may surrender to the Court, without regard to any statutory obligation of confidentiality, such information as the Court may require under the Agreement on the European Economic Area and the Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice.

(4) The ministry may by regulations make further provision as to the surrender obligation under subsections (1) and (2), including as to restrictions on the surrender obligation and the purposes for which the information may be used, as well as to the extent to which payment may be required in respect of the costs of such surrender.

Section 17-4 *Organisation of a central counterparty*

- (1) A central counterparty shall be organised as a public limited company.
- (2) The ministry may by regulations or administrative decision derogate from this section.

Section 17-5 *Participation in a central counterparty on behalf of a client*

Participation in a central counterparty on behalf of a client is confined to investment firms, credit institutions or undertakings engaged in activities falling within the scope of section 2-1.

Section 17-6 *Authorisation from the district court and assistance from the police*

- (1) On-site inspection pursuant to EMIR Article 63 as implemented in section 17-1 subsection (1) requires authorisation from the district court.
- (2) Finanstilsynet may request police assistance to execute the court's on-site inspection decision.
- (3) A petition for authorisation pursuant to subsection (1) shall be presented by Finanstilsynet or the EFTA Surveillance Authority to the district court in the locality where it is most practical to do so. The court shall render its decision by order. An appeal against such order shall not have suspensive effect. The Criminal Procedure Act section 201, subsection (1); sections 117 to 120, cf. section 204; section 207; section 208; section 209; section 213 and chapter 26 and the Public Administration Act section 15, subsection (2), apply insofar as appropriate. If prior announcement of an on-site inspection can be omitted pursuant to EMIR Article 63, cf. section 17-1, and Finanstilsynet or the EFTA Surveillance Authority so requests, the party that is the object of such petition shall not be given prior notice of the petition or the order.

Section 17-7 *Enforcement*

Finanstilsynet shall verify that the basis for enforcement is authentic pursuant to the enforcement provisions of EMIR Article 68 no. 4 as implemented in section 17-1 subsection (1).

Chapter 18 *Set-off of certain financial instruments*

Section 18-1 *Scope of application*

This chapter applies to financial instruments as mentioned in section 2-4 subsection (7) and to agreements on currency trading. The ministry may by regulations provide that this chapter shall also apply to agreements concerning other financial instruments.

Section 18-2 *Set-off*

Any agreement in writing between two parties whereby the parties' obligations pursuant to agreements as mentioned in section 18-1 are to be set off at market price either on a continuous basis or upon default, may be brought to bear without regard to sections 7-3 and 8-1 of the Satisfaction of Claims Act.

Section 18-3 (Revoked)

Part 8 Supervision, sanctions etc.

Chapter 19 Supervision

Section 19-1 *Supervision of trading in financial instruments etc.*

(1) Responsibility for supervision of the activities of investment firms, trading venues, market operators, data reporting services providers and central counterparties, and of compliance with the provisions laid down in or pursuant to this Act, rests with Finanstilsynet.

(2) Finanstilsynet shall oversee that annual financial statements, management reports, half-yearly financial statements and other financial reporting, audit committees, auditor selection and reporting of payments to governments, by issuers of transferable securities which are quoted or for which admission to quotation has been requested on a regulated market within the EEA and which have Norway as their home state, are in compliance with law or regulations.

(3) The ministry may delegate Finanstilsynet's supervision of compliance with specific provisions of the Market Abuse Regulation, see section 3-1, to another public authority or to the operator of a trading venue or another market participant.

(4) Section 19-2 subsection (5), cf. subsection (11), section 19-7 subsection (1) and section 19-10 apply equally where supervisory competence is delegated pursuant to subsection (3), except as otherwise provided.

(5) The ministry may by regulations make further provision regarding the supervision of trading in financial instruments. This may include regulations on oversight and measures as mentioned in subsection (2) to ensure that correct information is given in cases where financial reporting and reporting of payments to governments under subsection (2) is not in accordance with law or regulations. The ministry may also make further provision on supervision delegated under this section, including on the processing fee, appeal and case handling.

Section 19-2 *Oversight activities, disclosure obligation and notification obligation*

(1) Investment firms, central counterparties, data reporting services providers and market operators are obliged to disclose to Finanstilsynet such information as may be required about matters relating to their business and activities. The same applies to undertakings in the same group. The same also applies to investment firms' tied agents. The undertaking is obliged to produce, and if applicable hand over for inspection, documentation in accordance with section 9-16 subsection (1) no. 8, including voice recordings and electronic communications in accordance with section 9-17, and other physical and electronic documentation related to its activities.

(2) Auditors of undertakings as mentioned in subsection (1) are required to disclose to Finanstilsynet information on the activities of such undertakings upon request.

(3) Where circumstances arise entailing a risk that an undertaking as mentioned in subsection (1) will be unable to meet the stipulated capital requirements, or other circumstances arise which may entail substantial risk for the operation of the undertaking, the undertaking shall inform Finanstilsynet thereof immediately. In addition, central counterparties shall immediately notify Finanstilsynet in the event of other material changes of significance for their authorisation.

(4) Upon suspicion of infringement of chapter 3 of the Securities Trading Act or unlawful market conditions or material breach of the rules of a trading venue, the operator of the trading venue and companies in the same group shall immediately inform and assist Finanstilsynet. The information and assistance shall be provided at no cost to Finanstilsynet. Where the operator of a trading venue has reason to presume that a person has employed unreasonable business methods, acted contrary to the conduct of business rules or otherwise infringed the provisions of this Act, it shall inform Finanstilsynet accordingly.

(5) An undertaking is obliged to disclose to Finanstilsynet such information as Finanstilsynet deems necessary to determine whether provisions governing financial instruments laid down in or pursuant to this Act have been violated in relation to financial instruments issued by the undertaking. The same applies to other persons who perform managerial functions for the issuer on a regular basis

(6) Finanstilsynet may require a securities depository to furnish Finanstilsynet, by such means as Finanstilsynet deems appropriate, with such information as Finanstilsynet deems necessary for oversight purposes.

(7) Issuers as mentioned in section 19-1 subsection (2) and their auditor are obliged to disclose to Finanstilsynet such information about the issuer's circumstances as Finanstilsynet requires for oversight purposes under section 19-1 subsection (2). Issuers as mentioned in section 19-1 subsection (2), their board members and other elected officers, senior employees and auditor shall notify Finanstilsynet of any financial reporting by the issuer which in their judgement fails to give a fair view in conformity with the relevant financial reporting rules.

(8) Finanstilsynet may order an issuer, offeror or person requesting admission to trading, and others over which such undertakings and persons exercise decisive influence, or who exercise decisive influence over the latter, to disclose information and hand over documents.

(9) Finanstilsynet may order the auditor and the management body of an issuer, offeror or persons requesting admission to trading, as well as financial intermediaries, to disclose information.

(10) Finanstilsynet may order any person to obtain such documentation as is requested by Finanstilsynet to verify that the party concerned has complied with the provisions of EMIR; see section 17-1, or of regulations made to supplement those provisions.

(11) The disclosure obligation pursuant to this section applies without regard to any confidentiality obligation. The disclosure obligation on an undertaking applies equally to its employees, board members and other elected officers, and to others who perform managerial functions for the undertaking on a regular basis.

(12) The ministry may by regulations make further provision concerning the content of the disclosure obligation or the notification obligation, including making exemptions from the

confidentiality obligation, the format in which the information shall be disclosed, and Finanstilsynet's processing of the information obtained.

Section 19-3 *Disclosure obligation for all persons upon suspicion of infringement of the Securities Trading Act*

(1) Where Finanstilsynet suspects an infringement of chapters 3, 4, 5, or chapters 8 to 15 or regulations pursuant to those provisions, any person may be ordered to disclose information requested by Finanstilsynet, including the submission of documents, information stored by electronic and other technical means and transcripts from storage media.

(2) Where it suspects an infringement of the Market Abuse Regulation, see section 3-1, in connection with commodity derivatives, Finanstilsynet may require the information to be submitted in a standardised format, and may also require the submission of transaction reports by market participants on the trading venues on which the underlying derivatives are traded. Finanstilsynet may in addition require direct access to the trading systems.

(3) The disclosure obligation of subsections (1) and (2) applies without regard to any confidentiality obligation, with the exception of information which the person concerned would be barred from disclosing in criminal proceedings. The disclosure obligation applies in any event without regard to:

1. the statutory confidentiality obligation which otherwise applies to tax authorities and authorities responsible for supervising public regulation of commercial activities,
2. the confidentiality obligation pursuant to the Census Act,
3. the confidentiality obligation pursuant to the Foreign Exchange Register Act,
4. the confidentiality obligation as mentioned in the Electronic Communications Act section 2-9 with regard to information on contract-based secret telephone numbers or other subscription information and electronic communication addresses.

(4) In case of suspicion of infringement of Article 14 and 15 of the Market Abuse Regulation, see section 3-1, the confidentiality obligation as mentioned in the Electronic Communications Act section 2-9 does not apply in respect of information concerning network traffic data provided that exemption from such confidentiality obligation has been granted under this section. Any petition for exemption from the confidentiality obligation shall be presented by Finanstilsynet to the district court in the locality where it is most practical to do so. The court may grant such exemption by order. In the assessment of whether exemption should be granted, due consideration shall inter alia be given to the obligation of confidentiality and the need for clarification of the case. The Criminal Procedure Act section 52 second subsection and section 170 a applies. Upon petition from Finanstilsynet the court may decide to delay giving notice of the order provided this is strictly necessary for the consideration of the case. The Criminal Procedure Act section 100 a applies.

(5) The police and the prosecuting authority shall at the request of Finanstilsynet and without regard to any statutory obligation of confidentiality provide Finanstilsynet with such information as is necessary to meet Norway's obligations as regards exchange of information and supervisory collaboration under the EEA Agreement.

(6) Information pursuant to this section may be requested to be given in writing or orally by a specific deadline and may be written down or stored as a voice recording. Any person summoned for questioning has the right to be assisted by a lawyer.

(7) This section applies even if it has been decided to secure evidence under section 19-5 and applies equally where Finanstilsynet is requested by the authorities of another state conducting supervision as mentioned in the Financial Supervision Act, to obtain information on the basis of suspicion of any similar infringement of the legislation of that state.

(8) The ministry may by regulations lay down further rules on the content of the disclosure obligation, including provisions on exemption from the confidentiality obligation, the format in which the information is to be submitted, Finanstilsynet's processing of information so obtained, and further provisions regarding judicial review under subsection (4).

Section 19-4 *Disclosure obligation towards the takeover supervisory authority*

(1) The takeover supervisory authority may without regard to the confidentiality obligation require investment firms, other undertakings and persons to disclose information that may be of significance in relation to matters dealt with in chapter 6.

(2) The ministry may by regulations make further provision regarding the disclosure obligation, including exemption from the confidentiality obligation and requirements on the processing of surplus information.

Section 19-5 *Securing of evidence*

(1) In seeking evidence Finanstilsynet may, where there is reasonable cause to assume that the provisions of chapter 3, chapter 7 subchapters I and II, section 9-23, chapter 15 or regulations made to supplement those provisions, have been infringed, or where it is necessary in order to fulfil Norway's obligations under agreements with other states:

1. demand access to any premises, properties and other storage areas where evidence of infringement may be found,
2. demand access to homes if there is particular cause to assume that evidence is being kept there, and
3. confiscate items, including copies of documents and other information, and information stored by electronic means which may be significant as evidence for further examination, and
4. seal business premises, books, business documents or technical storage media for the duration of the investigation and as long as deemed necessary.

(2) A petition for authorisation to secure evidence shall be presented by Finanstilsynet to the district court in the locality where it is most practical to do so. The court shall render its decision by order before the securing of evidence can commence. The person to whom the petition is addressed shall not be notified of the petition or decision. An appeal against the order shall not have suspensive effect. The Criminal Procedure Act sections 200, 201 first subsection, sections 117 to 120, cf. sections 204, 207 to 209, 213 and chapter 26 and the Public Administration Act section 15 second and third subsections apply insofar as appropriate.

(3) Finanstilsynet may request police assistance to implement a decision to secure evidence.

(4) Where there is no time to await a court decision, Finanstilsynet may request the police to seal off areas where evidence may be located until such time as the court's decision is available.

(5) The ministry may by regulations make further provision regarding the securing of evidence and treatment of surplus information.

Section 19-6 *Finanstilsynet's obligation of confidentiality*

(1) No person performing work or services for Finanstilsynet or the ministry may disclose to any unauthorised party the identity of any person who has submitted notifications, tip-offs or similar information on infringements of the Act and appurtenant regulations, or any other information that may reveal such identity, except where the use of such information is necessary as part of further investigation of the infringement and subsequent legal proceedings in the case. The confidentiality obligation under the first sentence also applies to the identity of the natural person to whom the information relates. The confidentiality obligation under the first and second sentences also applies in relation to the parties to the case and their representatives.

(2) No person performing work or services for Finanstilsynet or the ministry may disclose to any unauthorised party any information about measures or sanctions related to the infringement of provisions of this Act, or regulations made pursuant to this Act, if the disclosure of such information could lead to serious financial market turbulence or inflict disproportionate harm on the parties concerned. The Public Administration Act section 13 and sections 13 b to 13 e do not apply to information as mentioned in the first sentence.

(3) Where Finanstilsynet's investigations give cause to suspect that someone has suffered or will suffer loss as a result of non-compliance with provisions of or pursuant to law, Finanstilsynet may, without regard to the obligation of confidentiality under the Financial Supervision Act section 7, first subsection, inform that person and hand over information to the extent necessary to investigate the circumstance.

(4) The ministry may by regulations make further provision regarding the obligation of confidentiality under this section and under the Financial Supervision Act section (7) in connection with the exercise of supervisory powers under this Act.

Section 19-7 *Orders etc.*

(1) Where Finanstilsynet has cause to assume that someone is acting in infringement of provisions of or pursuant to this Act, including orders made with a basis in this Act, Finanstilsynet may order that person to rectify the circumstance. A rectification order may include any measure necessary to bring the activity to a halt or to correct false or misleading information.

(2) A rectification order may also be issued where an investment firm acts contrary to internal policies and instructions as mentioned in section 9-16, or a market operator or data reporting services provider acts contrary to its own rules and terms of business. The same applies where the management or board of directors of an undertaking fails to meet the requirements of section 9-10, section 11-7, section 14-5 or EMIR Articles 27, cf. section 17-1, or regulations made to supplement those provisions.

(3) Subsection (1) applies equally where Finanstilsynet is informed by the supervisory authority of another EEA state that a Norwegian investment firm has infringed rules governing the firm's business activities in the country concerned. Finanstilsynet shall in such case inform the competent authority of the orders made.

(4) Finanstilsynet may by order prohibit investment firms from carrying on activities not deemed to be satisfactorily regulated by law, regulations made pursuant to law or internal policies and instructions as mentioned in section 9-16, where such activities may expose the firm or its clients to unwarrantably large risk. Finanstilsynet may also order that such activities shall only take place on certain conditions.

(5) Where a shareholder with a qualifying holding is not deemed fit to ensure the sound and prudent management of the undertaking, has not received authorisations under section 9-13 subsection (2), section 11-10 subsection (6) or section 13-3 subsection (1) or acts contrary to the authorisation for the acquisition, Finanstilsynet may make an order prohibiting the exercise of voting rights attached to such shares or that requires the shares to be divested in accordance with the procedure prescribed in section 13-4.

(6) Finanstilsynet may order compliance with the disclosure obligation and notification obligation under sections 19-2 and 19-3.

(7) Finanstilsynet may order an undertaking as mentioned in section 19-1 subsection (2) to procure the documentation Finanstilsynet requires in order to perform oversight pursuant to section 19-1 subsection (2). Subsection (1) applies equally where Finanstilsynet has reason to presume that someone who is subject to oversight under section 19-1 subsection (2) is acting contrary to law or regulations.

(8) Finanstilsynet may order a halt to the marketing or sale of financial instruments or structured deposits where the investment firm that has manufactured the products has not developed or implemented an appropriate process for approval or has otherwise failed to meet the requirements of section 9-19.

(9) Finanstilsynet may order a temporary or permanent halt to trading in certain financial instruments if called for on special grounds.

(10) Where the takeover supervisory authority has cause to suspect that someone is acting contrary to provisions laid down in or pursuant to chapter 6, the takeover supervisory authority may issue a rectification order. The takeover supervisory authority may also issue an order requiring the disclosure obligation under section 19-4 to be complied with.

(11) Where necessary in order to protect the interests of other market participants or the integrity of the market, Finanstilsynet may, upon infringement of the rules of chapter 4 or regulations made to supplement those provisions, make an order to the effect that the voting rights attached to the shares from and including the threshold at which disclosure is non-existent or deficient, shall not be exercised until the infringement is brought to an end or for a specified period.

(12) The ministry may by regulations make further provision with regard to orders.

Section 19-8 *Prohibition against holding a managerial function*

(1) Where board members, other elected officers, contractors or employees of an undertaking with authorisation to carry on activities falling within the scope of this Act, or of a tied agent, have infringed or abetted the infringement of provisions laid down in or pursuant to this Act, Finanstilsynet may make an order barring the person concerned from holding a managerial function if the infringement or abetting thereof entails that the person concerned must be considered unfit to hold a managerial function at an undertaking that must have authorisation to engage in activities pursuant to this Act.

(2) The ministry may make regulations to supplement this section.

Section 19-9 *Temporary prohibition of membership of a regulated market etc.*

(1) In the event of infringement of provisions laid down in or pursuant to this Act, Finanstilsynet may temporarily prohibit an investment firm from being a member of or participant on a regulated market or multilateral trading facility or a customer of an organised trading facility if there is cause to fear that such membership or participation may harm the market or trading venue concerned, other customers or the public good.

(2) The ministry may make regulations to supplement this section.

Section 19-10 *Cumulative daily fine*

(1) Where an order has been made under this Act, Finanstilsynet may impose a cumulative fine that runs for each day that passes after the expiry of the deadline set for compliance with the order until such time as the order is complied with.

(2) Where an order has been made under section 19-4 or section 19-7 subsection 10, the takeover supervisory authority may impose a cumulative fine that runs for each day that passes after the expiry of the deadline set for compliance with the order until such time as the order is complied with.

(3) The ministry may by regulations make further provision concerning cumulative daily fines, including as to the size and duration of the fine, waiver of an accrued fine, whether it should be grounds for enforcement by distraint, and other provisions with regard to collection.

Section 19-11 *Administrative confiscation*

(1) Finanstilsynet may confiscate, in whole or in part, financial gain achieved through infringement of:

1. the Market Abuse Regulation, cf. section 3-1, Article 14 on prohibition of insider dealing and unlawful disclosure of inside information, Article 15 on prohibition of market manipulation, Article 16 on prevention and detection of market abuse, Article 17 on public disclosure of inside information, Article 18 on insider lists, Article 19 on managers' transactions and Article 20 on investment recommendations and statistics,
2. the Short Selling Regulation, cf. section 3-5, Articles 12 to 15 on uncovered short sales,

3. section 3-7, section 9-1, sections 10-3 to 10-5, sections 10-9 to 10-17,
4. regulations made to supplement the above provisions.

(2) Confiscation shall be effected against the person to whom the gain has accrued, also where the person to whom the gain accrues is a person other than the offender.

(3) If the size of the gain cannot be established, the amount shall be fixed on a discretionary basis.

(4) Where the gain has accrued to a company which is part of a group, that company's parent company and the parent company of the group of which the company is part shall alternatively be liable for the amount.

(5) An order regarding administrative confiscation under the provisions of this section is not deemed to be an administrative decision under the provisions of the Public Administration Act. Chapters IV and V of the Public Administration Act apply.

(6) A period of up to two months shall be allowed in which to decide whether or not to accept an administrative confiscation order.

(7) If the administrative confiscation order is not accepted, Finanstilsynet may within three months of the expiry of the period allowed for acceptance bring legal action against the person concerned in the judicial district where legal action may be brought against that person. The case shall be conducted in accordance with the Dispute Act. Mediation by the Conciliation Board is not necessary.

(8) A deduction shall be made in the claim for administrative confiscation in respect of the amount that the liable party has by judgment been ordered to repay to the injured party. The same applies where the liable party has made such repayment beforehand and proves that repayment has taken place. Where a judgment as mentioned in the first sentence is handed down after the gain has been confiscated, and the liable party lacks the means to meet the claim, the confiscated gain shall be returned to the injured party to the extent necessary to pay the amount stipulated in the judgment.

(9) Finanstilsynet's power to order administrative confiscation becomes time-barred ten years after the infringement ceased. The time-bar ceases to run where Finanstilsynet gives prior notification of, or issues, an administrative confiscation order.

(10) Acceptance of an administrative confiscation order constitutes grounds for enforcement by distraint.

(11) The ministry may by regulations make further provision with regard to administrative confiscation under this section.

Section 19-12 *Appeal board for financial reporting by issuers etc.*

(1) The ministry may by regulations provide that an appeal board shall decide appeals against orders made under provisions laid down pursuant to section 19-1 subsection (2) or under provisions laid down pursuant to section 19-1 subsections (2) and (5).

(2) The Public Administration Act is applicable to the activity of the appeal board. The ministry may make further provision concerning periods for appeal, the content of an appeal, appeal reply and oral proceedings and on the composition and activity of the appeal board.

(3) The appeal board's expenses on handling appeals under subsection (1) shall be met by Finanstilsynet and apportioned among issuers of transferable securities admitted to trading on a regulated market in the EEA having Norway as their home state. The ministry shall fix the members' remuneration.

(4) A fee may be charged for handling an appeal as referred to in subsection (1). The ministry may make further provision concerning when a fee shall be charged, the size of such fees and their collection.

Chapter 20 Supervision of investment firms with their head office in another EEA state

Section 20-1 *Disclosure obligation*

(1) Finanstilsynet may for statistical purposes require an investment firm that provides investment services through a branch or tied agent in accordance with section 9-34 subsection (1) no. 2 to submit reports on its activities.

(2) Finanstilsynet may require investment firms as mentioned in subsection (1) to furnish such information as Finanstilsynet deems necessary for the purpose of checking their compliance with the rules governing their activities in Norway.

Section 20-2 *Inspection of undertakings with their head office in another state*

(1) After prior notification to Finanstilsynet, the competent authority in the investment firm's home state may, in cooperation with Finanstilsynet, undertake on-site inspection of a branch or tied agent established in accordance with section 9-34 subsection (1) no. 2. When requested by the competent authority in the home state, Finanstilsynet may undertake such inspection as mentioned.

(2) Subsection (1) shall not prevent Finanstilsynet from carrying out such on-site inspection as is deemed necessary for the purpose of checking the branch's or tied agent's compliance with the rules governing its activities in Norway.

Section 20-3 *Orders regarding corrective measures etc.*

(1) Finanstilsynet shall issue an investment firm that provides investment services pursuant to section 9-34 with a corrective order, which may include an order to cease its activities in Norway, if such activities are carried out in infringement of law or regulations.

(2) Finanstilsynet may take measures to prevent further contraventions where an order pursuant to subsection (1) is not complied with.

(3) Before Finanstilsynet makes an order pursuant to subsection (1), the supervisory authorities of the investment firm's home state shall be notified and given an opportunity to take measures to bring the unlawful circumstance to an end.

(4) Where it is necessary for the purpose of protecting the interests of investors and others to whom services are provided by the investment firm, Finanstilsynet may take necessary measures without such notification as mentioned in subsection (3).

(5) Where a firm with its head office in another EEA state has had its authorisation withdrawn, Finanstilsynet shall take measures to prevent the firm from continuing to provide investment services in Norway.

Section 20-4 Documentation from Norwegian branches and tied agents of undertakings with their head office in another EEA state

Finanstilsynet shall have access to and oversee documentation, including telephone conversations recorded and electronic communications retained, pursuant to section 9-16 subsection (1) no. 8 and section 9-17, by a branch or tied agent established in Norway pursuant to section 9-34 subsection (1) no. 2.

Section 20-5 Supervision of undertakings outside the EEA

Finanstilsynet shall supervise branches of undertakings with their head office outside the EEA that are authorised to provide investment services or perform investment activities pursuant to section 9-36.

Chapter 21 Administrative sanctions and criminal penalties

Section 21-1 Infringement of the Market Abuse Regulation etc.

(1) Finanstilsynet may impose an infringement penalty for infringement of the Market Abuse Regulation, see section 3-1, Article 14(c) on prohibition of unlawful disclosure of inside information, Article 15 on prohibition of market manipulation, Article 16 on prevention and detection of market abuse, Article 17 on public disclosure of inside information, Article 18 on insider lists, Article 19 on managers' transactions and Article 20 on investment recommendations and statistics, section 3-7 and regulations made to supplement the above provisions.

(2) For natural persons an infringement penalty of up to NOK 43 million may be imposed for infringement of the Market Abuse Regulation Article 14(c), Article 15 and section 3-7; NOK 9 million for infringement of Article 16 and Article 17; and up to NOK 5 million for infringement of Article 18, Article 19 and Article 20.

(3) For legal persons an infringement penalty of up to NOK 127 million, or up to 15 per cent of the total annual turnover according to the last approved annual financial statements, may be imposed for infringement of the Market Abuse Regulation Article 14(c), Article 15 and section 3-7 and up to NOK 22 million, or up to 2 per cent of the total annual turnover according to the last approved annual financial statements, for infringement of Article 16 and Article 17. An infringement penalty of up to NOK 9 million may be imposed for infringement of Article 18, Article 19 and Article 20.

(4) The infringement penalty may be set at up to three times the amount of profits gained or losses avoided because of the infringement, if this results in a higher penalty than the penalty assessed under subsection (2) or (3).

(5) The power to impose an infringement penalty under this section also applies to the operator of a trading venue, public authority or market participant that it is delegated supervisory competence under section 19-1 subsection (3), except as otherwise provided.

(6) The ministry may make regulations to supplement this section, including on delegation under subsection (5), provisions on the size of penalties, time-bars, to whom the penalty shall accrue, whether it should be grounds for enforcement by distraint, and other provisions with regard to collection.

Section 21-2 Infringement of the Short Selling Regulation

(1) Finanstilsynet may impose an infringement penalty for infringement of the Short Selling Regulation, see section 3-5, Articles 5 to 10 on reporting, Articles 12 to 15 on uncovered short sales and regulations made to supplement those provisions.

(2) The provisions of section 21-5 subsections (3) to (5) apply.

(3) The ministry may make regulations to supplement this section.

Section 21-3 Infringement of the rules governing disclosure of the acquisition of major shareholdings and periodic reporting etc.

(1) Finanstilsynet may impose an infringement penalty for infringement of the rules of chapter 4 and section 5-8 subsections (1) and (3) regulations made to supplement those provisions.

(2) Finanstilsynet may impose an infringement penalty on undertakings as mentioned in section 19-1 subsection (2) where the undertaking's financial reporting or reporting of payments to governments is not in conformity with law or regulations. An appeal against such decision shall be decided in accordance with the rules of section 19-12.

(3) Subsection (2) applies equally where an undertaking infringes the Public Limited Companies Act section 6-41, section 6-43 or section 7-2; the Audit Regulation, cf. the Auditors Act section 12-1, Articles 16 and 17; or equivalent rules with which the undertaking is required to comply under the Securities Trading Act or regulations issued pursuant thereto.

(4) For legal persons an infringement penalty of up to NOK 82 million, or up to 5 per cent of the total annual turnover according to the last approved annual financial statements, may be imposed.

(5) For natural persons an infringement penalty of up to NOK 17 million may be imposed.

(6) The infringement penalty may be set at up to twice the amount of profits gained or losses avoided because of the infringement if this results in a higher penalty than the penalty assessed under subsection (2) or (3).

(7) The ministry may make regulations to supplement this section.

Section 21-4 *Infringement of prospectus rules*

(1) Finanstilsynet may impose an infringement penalty for infringement of chapter 7 subchapter I on EEA prospectuses, subchapter II on national prospectuses and regulations made to supplement those provisions.

(2) For legal persons an infringement penalty of up to NOK 47 million, or up to 3 per cent of the total annual turnover according to the last approved annual financial statements, may be imposed.

(3) For natural persons an infringement penalty of up to NOK 7 million may be imposed.

(4) The infringement penalty may be set at up to twice the amount of profits gained or losses avoided because of the infringement, if this results in a higher penalty than the penalty under subsection (2) or (3).

(5) The ministry may make regulations to supplement this section.

Section 21-5 *Infringement of rules governing the securities market etc.*

(1) Finanstilsynet may impose an infringement penalty for infringement of chapters 8 to 15, obligations arising from administrative decisions made with a basis in some of the provisions mentioned, and regulations made to supplement those provisions.

(2) Subsection (1) does not apply to undertakings with their head office in another EEA state as mentioned in section 9-34. An infringement penalty may be imposed on such undertakings and natural persons connected to any such undertaking, the Norwegian branch or the tied agent, for infringement of the provisions referred to in section 9-35.

(3) For undertakings an infringement penalty of up to NOK 43 million, or up to 10 per cent of the total annual turnover according to the last approved annual financial statements, may be imposed.

(4) For natural persons an infringement penalty of up to NOK 43 million may be imposed.

(5) The infringement penalty may be set at up to twice the amount of profits gained or losses avoided because of the infringement, if this results in a higher penalty than the penalty assessed under subsection (3) or (4).

(6) The ministry may make regulations to supplement this section.

Section 21-6 *Infringement of EMIR with regard to OTC derivatives, central counterparties etc.*

(1) Finanstilsynet may impose an infringement penalty for infringement of EMIR, see section 17-1, Articles 4 to 13 on clearing, reporting and risk mitigation etc. of OTC derivatives, Articles 26 to 54 on organisational requirements for central counterparties and interoperability arrangements and regulations made to supplement those provisions.

(2) The provisions of section 21-5 subsections (3) to (5) apply.

(3) The ministry may make regulations to supplement this section.

Section 21-7 *Infringement in connection with takeover bids*

(1) The takeover supervisory authority may impose an infringement penalty on any person who fails to comply with an order issued by the takeover supervisory authority under section 19-4, see section 19-7 subsection (10) second sentence.

(2) The provisions of section 21-5 subsections (3) to (5) apply with equal effect, except as otherwise provided.

(3) The ministry may make regulations to supplement this section, including on the size of penalties, time-bars, to whom the penalty shall accrue, whether it should be grounds for enforcement by distraint, and other provisions with regard to collection.

Section 21-8 *Infringement of disclosure obligation and orders etc.*

(1) Finanstilsynet may impose an infringement penalty on anyone who fails to comply with Finanstilsynet's orders under section 19-7 subsections (5), (6) or (9).

(2) The provisions of section 21-5 subsections (3) to (5) apply with equal effect.

(3) Subsections (1) and (2) apply equally where the power to make orders is delegated under section 19-1 subsection (4), except as otherwise provided.

(4) The ministry may make regulations to supplement this section, including on the size of penalties, time-bars, to whom the penalty shall accrue, whether it should be grounds for enforcement by distraint, and other provisions with regard to collection.

Section 21-9 *Conditions for imposing an infringement penalty*

(1) An infringement penalty pursuant to this chapter may only be imposed on natural persons for wilful or negligent infringement.

(2) The Public Administration Act section 46 subsection (1) applies to undertakings.

(3) The ministry may by regulations provide that aggravated negligence shall be a condition for imposing an infringement penalty.

Section 21-10 *Calculation of total annual turnover upon imposition of an infringement penalty*

Where provisions on infringement penalties relate the calculation of infringement penalty rates to the total annual turnover according to the last approved annual financial statements, the total turnover of a parent company or a subsidiary of a parent company that is required to prepare consolidated financial statements under Directive 2013/34 EU shall be the total annual turnover, or equivalent income under relevant accounting directives, according to the last available consolidated annual financial statements approved by the management of the overarching parent undertaking.

Section 21-11 *Time-bars etc.*

(1) Finanstilsynet's power to impose infringement penalties pursuant to this chapter becomes time-barred five years after the infringement ceased. The time-bar ceases to run where Finanstilsynet gives prior notification of an infringement penalty or makes an order imposing such penalty.

(2) Subsection (1) applies equally to other parties empowered to impose infringement penalties under this chapter, except as otherwise provided.

(3) The ministry may make regulations concerning interest payable in the event of late payment of an infringement penalty and further provisions on time-bars.

Section 21-12 *Temporary prohibition of own account trading in financial instruments*

(1) Where employees of an investment firm wilfully or through negligence infringe the provisions mentioned in section 21-1 subsection (1), Finanstilsynet may make an order prohibiting the person concerned from trading for own account in specified financial instruments or on specified markets for a period of up to two years.

(2) Finanstilsynet may upon application make exemptions from the prohibition in respect of particular trades.

(3) The power to impose a prohibition pursuant to this section becomes time-barred two years after the infringement ceased. The time-bar ceases to run where Finanstilsynet gives prior notification or makes an order prohibiting trading for own account.

(4) The ministry may make regulations to supplement this section.

Section 21-13 *Abetting*

Abetting the infringement of the provisions mentioned in sections 21-1 to 21-8 may be subject to the same sanctions.

Section 21-14 *Factors relevant to the imposition of administrative sanctions*

In the decision of whether an administrative sanction shall be imposed and in the assessment of the penalty, account may be taken of:

1. the gravity and duration of the infringement,
2. the degree of culpability of the infringer,
3. the infringer's financial capability, especially overall turnover or annual income and assets,
4. profits gained or losses avoided,
5. losses inflicted on any third party as a result of the infringement,
6. willingness to cooperate with the authorities,
7. previous infringements,
8. factors as mentioned in the Public Administration Act section 46 second subsection,
9. other relevant factors.

Section 21-15 *Criminal penalties*

(1) Anyone who wilfully or through negligence infringes the Market Abuse Regulation, see section 3-1, Article 14(a) or (b) on the prohibition of insider dealing or Article 15 on the prohibition of market manipulation shall be punished by fine or by imprisonment not exceeding six years.

(2) A fine or imprisonment not exceeding four years shall be handed down to anyone who wilfully or through negligence infringes the Market Abuse Regulation, see section 3-1, Article 14(c) on the prohibition of unlawful dissemination of inside information.

(3) A fine or imprisonment not exceeding three years shall be handed down to anyone who wilfully or through negligence infringes section 9-1 or sections 10-9 to 10-17.

(4) A fine or imprisonment not exceeding one year shall be handed down to anyone who wilfully or through negligence infringes:

1. the Market Abuse Regulation, see section 3-1, Article 16 on the prevention and detection of market abuse, Article 17 on public disclosure of inside information, Article 18 on insider

lists, Article 19 on managers' transactions, Article 20 on investment recommendations and statistics or section 3-7,

2. the Short Selling Regulation, see section 3-5, Articles 5 to 10 on reporting or Articles 12 to 15 on uncovered short sales,
3. section 4-2,
4. the Prospectus Regulation, see section 7-1, Article 3 on the obligation to publish a prospectus and exemption, Article 6 on the prospectus, Article 23 on supplements to the prospectus, section 7-5, section 7-7 subsection (1) or section (7-10),
5. section 9-16 subsection (1) no. 8, section 9-17, section 9-18 or section 9-23,
6. sections 10-3 to 10-5,
7. section 15-1 subsection (8), section 15-3 or section 15-4, or
8. fails to comply with an order or claim pursuant to section 19-5 or section 19-7, including where the power to make orders is delegated pursuant to section 19-1 subsection (4).

(5) Subsections (1) to (4) apply equally to regulations to supplement the individual provisions.

Section 21-16 *Application to actions or omissions abroad*

(1) The provisions of this chapter are applicable – irrespective of whether the omissions or actions have taken place abroad, and irrespective of whether they have been undertaken by Norwegian or foreign nationals or undertakings – to the infringement of:

1. the Market Abuse Regulation, see section 3-1, where the act or omission relates to:
 - a) instruments or products referred to in the Market Abuse Regulation Article 2(1) and (2) which are admitted to trading on a regulated market or for which admission to trading has been requested, are auctioned on an auction platform or which are traded on an MTF or OTF or for which trading on an MTF operating in Norway has been requested.
 - b) instruments, products or contracts pursuant to the Market Abuse Regulation Article 2(1) and (2) the value of which depends on or has an effect on the value of instruments referred to in (a),
 - c) a benchmark as mentioned in the Market Abuse Regulation Article 2(2) the administrator of which or contributor to which is operating in Norway,
2. the Short Selling Regulation, see section 3-5, or order made pursuant thereto, where the action or omission has a connection to Norway as mentioned in the Short Selling Regulation Article 2(1)(j).
3. section 3-7 on the prohibition of unreasonable business methods in case as mentioned in subsection (3) of this section.
4. section 4-2 on the obligation to disclose the acquisition of large shareholdings as mentioned in section 4-1,
5. the Prospectus Regulation, see section 7-1, where the action or omission has a connection to Norway as mentioned in Article 2(m),
6. section 15-4 on position reporting in cases as mentioned in section 5-15 subsection (1),
7. provisions pursuant to this Act which regulate specific activities,
8. other provisions where it appears clear that the action or omission falls within the territorial scope of the accepted standard.

(2) Subsection (1) applies equally where it otherwise follows from the Criminal Code sections 4 to 8 or section 1-2 of this Act that the provisions are applicable to the action or omission.

Part 9 Entry into force, transitional rules and amendments to other Acts

Chapter 22 Entry into force and transitional rules

Section 22-1 *Entry into force*

This Act enters into force as and when the King decides. The King may give effect to individual provisions at different times. The King may lay down commencement dates for the provisions of sections 5-5 and 5-6 of the Act.

Section 22-2 *Continuation of authorisations and regulations etc.*

(1) Authorisations under Act of 19 June 1997 No. 79 on Securities Trading, under Act of 29 June 2007 No. 74 on Regulated Markets and under revoked or amended provisions of this Act shall remain valid. Undertakings are required to organise their activities in conformity with the provisions of this Act.

(2) Section 6-6 subsection (1) does not apply to shareholders who upon the commencement of this Act came under the exception set forth in Act of 19 June 1997 No. 79 on Securities Trading section 4-6, subsection (2) no. 2, and who after admission to stock exchange quotation have uninterruptedly owned shares representing more than 40 per cent of the votes.

(3) Section 6-6 subsection (2) applies to shareholders who cross the mandatory bid thresholds after commencement of the Act. Section 6-6 subsection (2) nonetheless applies to

1. anyone owning shares representing between 1/3 and 40 per cent of the votes of the company upon commencement of the Act,
2. anyone who prior to commencement of the Act crossed the mandatory bid threshold of 40 per cent in such a manner as not to trigger the mandatory bid obligation and therefore has not launched a mandatory bid,
3. anyone who as of 1 December 1997 owned shares representing between 40 per cent and 45 per cent of the votes, and who has uninterruptedly owned shares representing more than 40 per cent of the votes up to the commencement of the Act without launching a bid in accordance with the mandatory bid rules.

(4) The ministry may by regulations make further transitional rules.

(5) Regulations made pursuant to Act of 19 June 1997 No. 79 on Securities Trading, Act of 29 June 2007 No. 74 on Regulated Markets and revoked or amended provisions of this Act, respectively, shall remain in force until otherwise decided.

Chapter 23 Amendments to other Acts

Section 23-1 *Amendments to other Acts*

The following amendments to other Acts will apply as from the commencement of the present Act:

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