8 June 2017 No. 650

Capital Markets Act[1]

WE MARGRETHE THE SECOND by the grace of God Queen of Denmark, hereby witness:

Folketinget (the Danish Parliament) has adopted and We with Our consent hereby enact the following Act:

I

General provisions

Part 1

Scope and definitions

Scope

1. This Act shall apply to operators and conduct in the capital markets.

(2) The rules in Part 3 shall apply to the admission of transferable securities for trading on a regulated market and public offering of transferable securities over EUR 5 million in the European Union or countries with which the Union has entered into an agreement for the financial area. The limit of EUR 5 million is calculated over a period of 12 months.

(3) The rules in Part 4 shall apply to security agents appointed as representatives in connection with the issuance of bonds where the security agent has been listed in the register of security agents of the Danish Financial Supervisory Authority (Finanstilsynet) according to section 19, and where the issuance is marketed or intended to be marketed to Danish investors, the issuer is an undertaking with its registered office in Denmark or the issuance in general is closely associated with Denmark. Section 18(1) shall also apply to other collective debt instruments than bonds.

(4) The rules in Part 5 shall apply to issuers domiciled in Denmark, whose transferable securities are admitted to trading on a regulated market in a country within the European Union or a country with which the Union has entered into an agreement for the financial area. Part 5 shall also apply with any necessary adjustments for issuers domiciled in another country within the European Union or a country with which the Union has entered into an agreement for the financial area, and whose transferable securities have been admitted for trading on a regulated market in this country only and not in the home member state of the issuer. However, with regard to section 31, it is only required to file an announcement on the rights to exercise voting rights for the issuers mentioned in the second sentence. Part 5 shall not apply to transferable securities issued by undertakings for collective investment of the open type.

(5) The rules in Part 7 shall apply to:

1) Holding of shares issued by a company domiciled in Denmark, cf. section 21, and where the company has one or more share classes admitted to trading on a regulated market in Denmark, a country within the European Union or a country with which the Union has entered into an agreement for the financial area, with the exception of shares issued by undertakings for collective investment of the open type.
2) Holding of financial instruments where one or more of the underlying shares have been issued by a company mentioned in no. 1.

(6) The rules in Part 8 shall apply to:

1) Persons who have acquired control of a company that has one or more share classes admitted to trading on a regulated market.
2) Persons who launch a voluntary takeover bid in order to acquire control of a company that has one or more share classes admitted to trading on a regulated market.
3) The company of which control is acquired or sought to be acquired, cf. nos. 1 and 2.

(7) The rules in Part 24 shall apply to investment firms domiciled in Denmark. The rules in Part 25 shall apply to investment firms that are covered by the rules on systematic internalisers.

(8) The rules in Parts 26-30 shall apply to data reporting services providers who, in the case of legal persons, are

[1] This Act contains provisions that implement Directive 98/26/EC of 19 May 1998 of the European Parliament and of the Council, Official Journal 1998, no. L 166, p. 45, Directive 2001/34/EC of 28 May 2001 of the European Parliament and of the Council, Official Journal 2001, no. L 184, p. 1, Directive 2002/47/EC of 14 June 2002 of the European Parliament and of the Council, Official Journal 2002, no. L 168, p. 43, parts of Directive 2003/71/EC of 4 November 2003 of the European Parliament and of the Council, Official Journal 2003, no. L 345, p. 64, parts of Directive 2004/25/EC of 21 April 2004 of the European Parliament and of the Council, Official Journal 2004, no. L 142, p. 12, parts of Directive 2004/109/EC of 15 December 2004 of the European Parliament and of the Council, Official Journal 2004, no. L 390, p. 38, parts of Directive 2007/14/EC of 8 March 2007 of the Commission, on implementation provisions for certain provisions in Directive 2004/109/EC, Official Journal, no. L 69, p. 27, Directive 2009/44/EC of 6 May 2009 of the European Parliament and of the Council, Official Journal 2009, no. L 146, p. 37, parts of Directive 2010/73/EC of 24 November 2010 of the European Parliament and of the Council, Official Journal 2010, no. L 327, p. 1, parts of Directive 2013/50/EC of 22 October 2013 of the European Parliament and of the Council, Official Journal 2013, no. L 294, p. 13, and Directive 2014/65/EU of 15 May 2014 of the European Parliament and of the Council, Official Journal 2014, no. L 173, p. 349. This Act replicates parts of Commission Regulation no. 1031/2010/EU of 12 November 2010, Official Journal 2010, no. L 302, p. 1, Regulation no. 236/2012/EU of 14 March 2012 of the European Parliament and of the Council, Official Journal 2012, no. L 86, p. 1, parts of Regulation no. 648/2012/EU of 4 July 2012 of the European Parliament and of the Council, Official Journal 2012, no. L 201, p. 1, Regulation no. 600/2014 of 15 May 2014 of the European Parliament and of the Council, Official Journal 2014, no. L 173, p. 84, Regulation no. 909/2014 of 23 July 2014 of the European Parliament and of the Council, Official Journal, no. L 257, p. 1, Regulation no. 596/2014/EU of 16 April 2014 of the European Parliament and of the Council, Official Journal 2014, no. L 173, p. 1. Under article 288 of the Treaty FEU, a regulation is directly applicable in all member states. The repetition of these provisions in this Act is purely based on practical considerations and does not affect the direct application of the regulations in Denmark.

domiciled in Denmark, and who, in the case of natural persons, have their main office located in Denmark.

(9) The rules in Part 31 shall apply to netting that takes place in securities settlement systems and payment systems.

(10) The rules in Part 32 shall apply to registered payment systems.

(11) The rules in Part 36 shall apply to financial collateral arrangements and to collaterals when these are provided. A collateral is provided when the appropriate guarantee action has been executed. Sections 206-209 shall, however, apply regardless of whether an arrangement of close-out netting or concurrent netting has been concluded as part of a financial collateral arrangement.

(12) The rules in sections 203-208 shall not apply to restrictions on the enforcement of financial collateral arrangements or restrictions on the effect of a requirement for a financial collateral arrangement and close-out netting or set-off, which is imposed according to Parts 5, 6 and 10 of the Restructuring and Resolution of Certain Financial Undertakings Act.

2. The rules for investment firms, cf. section 9(2) of the Financial Business Act, shall also apply to:

1) Financial undertakings which according to section 7(1) of the Financial Business Act are authorised as a financial institution performing the activities mentioned in Annex 4, title A of the Financial Business Act.
2) Financial undertakings which according to section 8(1) of the Financial Business Act are authorised as a mortgage credit institution performing the activities mentioned in Annex 4, title A of the Financial Business Act.
3) Credit institutions and investment firms that have been granted permission in another country within the European Union or in a country with which the Union has entered into an agreement for the financial area, if the institution or the firm legally trades financial instruments either through a branch or by providing services in this country, cf. sections 30 and 31 of the Financial Business Act.
4) Credit institutions and investment firms that have been granted authorisation in a country outside the European Union with which the Union has not entered into an agreement for the financial area, and which legally trade financial instruments either through a branch or by providing services in this country, cf. section 1(3) and section 33 of the Financial Business Act.

(2) The rules in Part 24 shall also apply to:

1) Financial undertakings which according to section 11(1) of the Financial Business Act have authorisation as an insurance company and are members of a regulated market or a multilateral trading facility (MTF).
2) Operators with obligations according to Directive 2003/87/EC of 13 October 2003 of the European Parliament and of the Council, establishing a scheme for greenhouse gas emission allowance trading within the Community, which are members of a regulated market or a multilateral trading facility (MTF).
3) Collective investment undertakings and pension funds, whether they are coordinated at Community level or not, and depositors and managers of such institutions, if these natural or legal persons are members of a regulated market or a multilateral trading facility (MTF).
4) Persons whose principal activity is not investment services or activity as a financial institution or mortgage credit institution according to the Financial Business Act, who trade financial instruments on their own behalf or provide investment services with commodity derivatives or derivative contracts, cf. Annex 5, no. 10, of the Financial Business Act, to clients in their main activity, regardless of whether such activity is ancillary to their principal activity at group level and notwithstanding that these persons do not use an algorithmic high-frequency trading technique, if these persons are members of a regulated market or a multilateral trading facility (MTF).

(3) The Minister of Industry, Business and Financial Affairs may establish rules according to which the statutory provisions on investment firms are also to be applied to foreign credit institutions that are not covered by subsection (1), nos. 3 or 4, and which in accordance with section 74(3) have been granted membership of a regulated market or which have entered into a participation agreement with a Central Securities Depository (CSD).

Definitions

3. In this Act, the following definitions shall apply:

1) Multilateral system: Any system or facility where various third parties' buying and selling interests in financial instruments may be brought together.
2) Regulated market: A multilateral system, cf. no. 1, which is operated in accordance with the rules of Parts 12-14, 22 and 23.
3) Multilateral trading facility (MTF): A multilateral system, cf. no. 1, which is operated in accordance with the rules of Parts 17, 18, 20, 22 and 23.
4) Organised trading facility (OTF): A multilateral system that is not a regulated market or a multilateral trading facility (MTF).
5) Trading venue: A regulated market, a multilateral trading facility (MTF) or an organised trading facility (OTF).
6) SME growth market (growth market for small and medium-sized enterprises): A multilateral trading facility (MTF) that is registered as an SME growth market in accordance with section 110.
7) Operator of a regulated market: A natural or legal person who has been granted authorisation under sections 59 or 127 and whose business consists of operating a regulated market.
8) Operator of a multilateral trading facility (MTF): An operator of a regulated market or an investment firm with a granted permission under section 86 of this Act or section 9(1) in the Financial Business Act, and whose business consists of running a multilateral trading facility (MHF).

9) Operator of an organised trading facility (OTF): An operator of a regulated market or an investment firm that runs an organised trading facility (OTF).
10) Central Securities Depository (CSD): A Central Securities Depository (CSD) as defined in article 2(1), no. 1 of Regulation (EU) no. 909/2014 of the European Parliament and of the Council of 23 July 2014 on the improvement of the securities settlement in the European Union and on Central Securities Depositories.
11) Central counterparty (CCP): A central counterparty (CCP) as defined in article 2, no. 1 of Regulation (EU) no. 648/2012 of 4 July 2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories.
12) Providing data reporting services: Operation of an approved publication arrangement (APA), operation of a consolidated tape provider (CTP) or the operation of an approved reporting mechanism (ARM).
13) Data reporting services provider: An approved publication arrangement (APA), a consolidated tape provider (CTP) or an approved reporting mechanism (ARM).
14) Approved publication arrangement (APA): A natural or legal person who according to this Act has permission to carry out business within publication of post-trade data on behalf of investment firms in accordance with articles 20 and 21 of Regulation (EU) no. 600/2014 of 15 May 2014 of the European Parliament and of the Council on markets in financial instruments.
15) Consolidated tape provider (CTP): A natural or legal person, who according to this Act has permission to carry out business consisting of collecting trade data for the financial instruments stated in articles 6, 7, 10, 12, 13, 20 and 21 of Regulation (EU) no. 600/2014 of 15 May 2014 of the European Parliament and of the Council on markets in financial instruments from regulated markets, multilateral trading facilities (MTFs), organised trading facilities (OTFs), and approved publication arrangements (APAs), and to consolidate these in the form of a continual electronic live data stream containing data on prices and volume of each financial instrument.
16) Approved reporting mechanism (ARM): A natural or legal person who according to this Act has permission to carry out business consisting of providing data on transactions to the Financial Supervisory Authority and the European Securities Markets Authority (ESMA) on behalf of investment firms.
17) Systematic internaliser: An investment firm which on an organised, frequent and systematic basis substantially deals on its own account by executing client orders outside a trading venue without running a multilateral system, where the investment firm exceeds the limits for frequent and substantial trading set by the European Commission.
18) Algorithmic trade: Trading in financial instruments where a computer algorithm with limited or no human intervention establishes various order parameters, excepting systems that are used solely to send, process or confirm orders or process executed post-trading transactions.
19) Direct electronic access: An arrangement whereby a member or a client of a trading venue permits a natural or legal person to use the member's or the client's trading code to transmit orders directly to the trading venue electronically through direct market access or sponsored access.
20) Algorithmic high-frequency trading technique: Algorithmic trading technique that is characterised by
    a) an infrastructure in which the latency on an algorithmic order entry is shortened through co-location, proximity hosting or high-speed direct electronic access;
    b) a system in which orders are transmitted, generated, directed or executed without human intervention in connection with each trade or order; and
    c) a high proportion of intra-day messages which constitute orders, quotes or cancellations.
21) Offer to the public: Any communication to natural and legal persons through any distribution channel with sufficient information on the offer conditions and the transferable securities or shares offered allowing an investor to decide to buy or subscribe.
22) Debt securities: Bonds and other types of transferable debt instruments, cf. section 4(1), no 1, b), except securities which are equivalent to shares in companies or securities which, if converted or if the rights conferred by them are exercised, give a right to acquire shares or securities equivalent to shares.
23) Derivative: Financial instruments covered by section 4(1), no. 1, c), and nos. 4-10.
24) Commodity derivative: Commodity derivatives as defined in article 2(1), no. 30, of Regulation (EU) no. 600/2014 of 15 May 2014 of the European Parliament and of the Council on markets in financial instruments.
25) Clearing: Statement of obligations and rights in an agreed exchange of services, whether in connection with netting, cf. no. 29, or for each transaction individually.
26) Execution: Exchange of services to fulfil the obligations of the parties.
27) Participant: An institution, a central counterparty (CCP), a settlement agent, a clearing house or a system operator.
28) Indirect participant: An institution, a central counterparty (CCP), a settlement agent, a clearing house or a system operator with a contractual relationship with a participant in a system, cf. no. 27, executing transfer orders, enabling the indirect participant to pass transfer orders through the system, provided that the indirect participant is known to the system operator.
29) Netting: The conversion into a net claim or a net liability of claims and liabilities resulting from transfer orders which one or more participants either issue to or receive from one or more other participants

with the result that only one net claim can be made or one net liability be owed.

30) Transfer order:
   a) An instruction from a participant in a securities settlement system or a registered payment system to place at the disposal of a recipient an amount by means of a book entry on the account of a credit institution, a central bank or a settlement agent.
   b) An instruction which results in the assumption or discharge of a payment obligation as defined by the rules of the system.
   c) An instruction from a participant of a securities settlement system or a registered payment system to transfer the title or other rights to a security or securities by means of an entry in a register or otherwise.

31) Securities settlement system: A system operated by a central securities depository (CSD) or a central counterparty (CCP) that regularly, on behalf of the participants, performs clearing and settlement of the participants' payments or clearing and settlement of transactions in securities.

32) Registered payment system: A payment system registered in accordance with section 177, or a payment system operated by Danmarks Nationalbank.

33) Interoperable system: Two or more securities settlement systems or payment systems whose operators have a mutual agreement that transactions are cleared, cleared and settled, or settled, across the systems. Where relevant, the first sentence also includes the operator of an interoperable system.

34) Investment security: Dematerialised transferable security registered with a central securities depository (CSD).

35) Account-holding institution: A financial entity or manager of alternative investment funds that has entered into a participation agreement with a central securities depository (CSD) to obtain registration of rights to investment securities.

4. In this Act, financial instruments are defined as:

1) Transferable securities except payment instruments that can be traded on capital markets, including
   a) company shares and other securities equivalent to shares in companies, partnerships and other enterprises, as well as depositary receipts related to shares;
   b) bonds and other debt instruments, including depositary receipts related to such securities; and
   c) any other securities with which securities mentioned in a) and b) can be acquired or sold, or which are settled for cash in an amount, the size of which is determined using the securities, currencies, interest rates or yields, commodities indices and other indices and measures as reference.

2) Money market instruments, including treasury bills, certificates of deposit and commercial papers, excluding payment instruments.

3) Units in collective investment schemes.

4) Options, futures, swaps, forward rate agreements (FRAs) and any other derivative contract relating to securities, currencies, interest rates or yields, emission allowances or other derivatives, financial indices or financial measures which can be settled physically or cash

5) Options, futures, swaps, forward contracts and any other derivative contract relating to commodities that must be settled in cash, or may be settled in cash at the request of one of the parties other than by reason of default or other termination event.

6) Options, futures, swaps and any other derivative contract relating to commodities that can be physically settled provided they are traded on a regulated market, a multilateral trading facility (MTF) or an organised trading facility (OTF), except for wholesale energy products traded on an organised trading facility (OTF) that must be physically settled.

7) Options, futures, swaps, forward contracts and any other derivative contract relating to commodities which are not covered in no. 6, which can be physically settled and do not have commercial purposes and which have the characteristics of other derivative financial instruments.

8) Credit derivatives.

9) Financial contracts for difference (CfDs).

10) Options, futures, swaps, forward rate agreements (FRAs) and any other derivative contract relating to climatic variables, freight rates, inflation rates, or other official economic statistics and any other derivative contract that must be settled in cash or may be settled in cash at the request of either party, other than by reason of default or other termination event, relating to assets, rights, obligations, indices, and measures not otherwise mentioned in nos. 1-9 and 11, and which have the characteristics of other derivative financial instruments, taking into account whether, inter alia, they are traded on a regulated market, an organised trading facility (OTF), or a multilateral trading facility (MTF).

11) Emission allowances consisting of any units recognised for compliance with the requirements of Commission Regulation (EU) no. 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community.

(2) The Minister of Industry, Business and Financial Affairs may establish rules according to which certain financial instruments, which are not mentioned in subsection (1), may be covered by all or part of the rules on financial instruments in this Act.

5. Part 36 defines:

1) Financial collateral arrangement: A financial collateral arrangement in the form of title transfer or security.

2) Financial obligations: Obligations entitling the collateral taker to cash settlement or delivery of

financial instruments and claims based on agreements for energy products. If both parties to a financial collateral arrangement are covered by section 196(1), no. 6, only claims stemming from trading in currency and financial instruments, trading on commodity exchanges, agreements on energy products as well as deposits and loans are considered financial obligations. If only one or none of the parties in a close-out netting agreement under sections 206-208 is covered by section 196, only claims originating from trading in currency and financial instruments shall be considered financial obligations.

3) Claims originating from agreements on energy products: Claims originating from the following agreements and derivatives, including framework agreements and close-out netting agreements, no matter where and how they are traded, and no matter whether cash settlement can take place only by reason of default or other termination event: Agreements on delivery of or derivatives relating to natural gas, electricity, coal, oil or biofuel or the transportation of these, as well as CO2 quotas and certificates of energy based on renewable energy (RE certificates).
4) Credit claims: Pecuniary claims based on an agreement in which a credit institution grants credit through loans.
5) Equivalent collateral:
   a) An amount of the same size and in the same currency or another currency than the originally provided collateral if this has been provided in the form of money credited to an account; or
   b) financial instruments that are identical or comparable to the originally provided collateral if the original collateral was provided in the form of financial instruments.
6) Enforcement event: An event of default or any similar event as agreed between the parties at the occurrence of which the collateral taker is entitled to realise or appropriate financial collateral or a close-out netting provision can take place.
7) Insolvency proceedings: Bankruptcy, reconstruction proceedings, insolvent estate administration and debt restructuring as well as other Danish and foreign types of liquidation and restructuring measures due to the insolvency of the debtor.

6. In this Act, investment management firm is defined as follows, cf., however, subsection (2):

1) Investment management firms that are authorised to operate in accordance with Annex 4, title A(9) of the Financial Business Act, cf. section 10(2) of the Financial Business Act.
2) Investment management firms that have authorisation to operate in accordance with Annex 1(3)(b), no. 2 of the Alternative Investment Fund Managers, etc. Act, cf. section 11(2) of the Alternative Investment Fund Managers, etc. Act.
3) Management companies with authorisation granted in another country within the European Union or in a country with which the Union has entered into an agreement for the financial area if the company legally carries out its activities in accordance with the rules which implement article 6(3)(b), no. 2, of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (investment undertakings) either through a branch or by providing services in this country, cf. sections 30 and 31 of the Financial Business Act.

(2) Investment management firm covered by Part 36 means investment management firms that hold authorisation in accordance with section 10 of the Financial Business Act and management companies approved in accordance with article 6 of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (investment undertakings).

7**.** In this Act, alternative investment fund managers are defined as:

1) Alternative investment fund managers that are authorised to operate in accordance with Annex 1(3)(b), no. 2 of the Alternative Investment Fund anagers, etc. Act, cf. section 11(2) of the Alternative Investment Fund Managers, etc. Act.
2) Investment fund managers that are authorised to operate in accordance with Annex 4, section A(9), of the Financial Business Act, cf. section 10(2) of the Financial Business Act.
3) Alternative investment fund managers with authorisation in another country within the European Union or in a country with which the Union has entered into an agreement for the financial area if the company legally carries out its activities in accordance with the rules which implement article 6(4)(b)(2), of Directive 2011/61/EC of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers either through a branch or by providing services in this country, cf. section 95 of the Alternative Investment Fund Managers, etc. Act.

Part 2

Time limits

8. Time limits in this Act and rules issued pursuant to it and in regulations, cf. section 211(2), are determined in accordance with Council Regulation no. 1182/71 of 3 June 1971 on determining the rules applicable to periods, dates and time limits. Constitution Day, Christmas Eve and New Year's Eve are in this context equivalent to public holidays.

Protection in connection with the reporting of an infringement

9. A company may not subject employees to adverse treatment or adverse consequences as a result of the employee reporting an infringement or a potential infringement of this Act, rules issued pursuant to this Act or regulations of the European Union concerning areas of this Act, which are monitored by the Financial Supervisory Authority, to the Financial Supervisory Authority or to a scheme within the company.

(2) Employees whose rights have been impaired through an infringement of subsection (1) may be awarded a compensation in accordance with the principles in the Act on equal treatment for men and women with regard to employment, etc. The compensation is determined on the basis of the period of employment of the employee and the circumstances of the case in general.

(3) Subsections (1) and (2) shall not be waived to the disadvantage of the employee by any agreement.

II

Issuers and offerors

Part 3

Prospectuses

10. An issuer or other natural and legal persons may not arrange admission to trading on a regulated market prior to the publication of an approved prospectus of the admission to trading concerned.

(2) An offeror may not make offers to the public prior to the publication of an approved prospectus of the particular offer.

11. Section 10 shall not apply to:

1) Transferable securities issued by undertakings for collective investment with the exception of undertakings of the closed-end type.
2) Money market instruments with a maturity of less than 12 months.
3) Transferable securities that are not equity investments issued by
   a) a country within the European Union or a country that has entered into an agreement with the Union for the financial area, or by one of that country's regional or municipal authorities;
   b) international public bodies of which one or more countries within the European Union or countries with which the Union has entered into an agreement for the financial area are members;
   c) The European Central Bank; or
   d) central banks domiciled in a country within the European Union or a country with which the Union has entered into an agreement for the financial area.
4) Shares in a central bank domiciled in a country within the European Union or a country with which the Union has entered into an agreement for the financial area.
5) Transferable securities covered by an unconditional and irrevocable guarantee by a country within the European Union or a country with which the Union has entered into an agreement for the financial area, or by one of that country's regional or municipal authorities.
6) Transferable securities issued by associations with legal status as non-profit bodies, domiciled in a country within the European Union or a country with which the Union has entered into an agreement for the financial area, with a view to obtaining the means necessary to achieve their non-profit objectives.
7) Transferable securities that are non-equity securities and which are issued continually or repeatedly by credit institutions, on the condition that these transferable securities
   a) are not subordinated, convertible or exchangeable;
   b) do not give a right to subscribe to or acquire other types of transferable securities;
   c) are not linked to a derivative financial instrument;
   d) materialise reception of repayable deposits; and
   e) are covered by a deposit guarantee scheme.
8) Transferable securities that are non-equity securities and which are issued continually or repeatedly by credit institutions, where the total issue in the European Union and countries with which the Union has entered into an agreement for the financial area is less than EUR 75 million calculated over a period of 12 months, on the condition that these transferable securities
   a) are not subordinated, convertible or exchangeable;
   b) do not give a right to subscribe to or acquire other types of transferable securities; and
   c) are not linked to a derivative financial instrument.

(2) An issuer, offeror or other natural or legal person asking for admission to trading, as mentioned in subsection (1), nos. 3, 5 and 8, may, however, draw up a prospectus in accordance with the rules in this Part and rules issued pursuant to section 12(3). The first sentence shall also apply to public offers where the offer in one or more countries within the European Union or in one or more countries with which the Union has entered into an agreement for the financial area is less than EUR 5 million.

(3) The Minister of Industry, Business and Financial Affairs shall establish more detailed rules concerning exemption from the obligation to publish a prospectus.

12. A prospectus shall contain information which, depending on the nature of the issuer and of the transferable securities, is required for the investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profit and losses, and the prospects of the issuer. Furthermore, the prospectus shall contain the necessary information on any guarantor and on rights related to the transferable securities, which are offered to the public or admitted to trading. The prospectus shall be presented in a manner which facilitates an understanding of the content and an assessment of the significance of the information.

(2) A prospectus shall be compiled in accordance with the rules established by the Minister of Industry, Business and Financial Affairs under subsection (3) and Commission Regulation (EU) no. 809/2004 of 29 April 2004 on the implementation of Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation of information by reference and publication of such prospectuses and dissemination of advertisements.

(3) The Minister of Industry, Business and Financial Affairs shall establish more detailed rules on the format, language, publication, advertisement and validity of such

prospectuses as well as the omission of information in the prospectus.

13. The Financial Supervisory Authority shall decide on the approval of the prospectus when the issuer is domiciled in Denmark or the jurisdiction to approve prospectuses has been referred to Denmark, cf. section 14(2).

(2) The Financial Supervisory Authority shall notify the issuer, the offeror or the natural or legal person asking for admission to trading of its decision regarding the approval of the prospectus within 10 working days of the submission of the application for approval of the prospectus, cf., however, section 14(1).

(3) The time limit in subsection (1) shall be extended to 20 working days if the offer to the public concerns transferable securities issued by an issuer who has no transferable securities admitted to trading and who has not previously offered transferable securities to the public.

(4) Should there be any reasonable grounds to assume that the documents submitted are incomplete or that further information is needed, the time limits referred to subsections (2) and (3) shall apply only from the date when the issuer, the offeror or the natural or legal person asking for admission to trading has provided such information. Should the documents be incomplete, the Financial Supervisory Authority shall notify the issuer to this effect within 10 respectively 20 working days of receipt of the application.

14. The Financial Supervisory Authority may refer the application for approval of a prospectus to the competent authority of another country within the European Union or a country with which the Union has entered into an agreement for the financial area, subject to the agreement of that authority. This referral shall be notified to the issuer, the offeror or the natural or legal person asking for admission to trading within 3 working days from the date of the decision taken by the Financial Supervisory Authority.

(2) A competent authority of another country within the European Union or a country with which the Union has entered into an agreement for the financial area may transfer the competence to approve a prospectus to Denmark. When the Financial Supervisory Authority receives an application for approval of a prospectus from a competent authority of another country within the European Union or a country with which the Union has entered into an agreement for the financial area, section 13 shall apply. The time limit is determined from the date when the Financial Supervisory Authority receives the transfer.

(3) The Minister of Industry, Business and Financial Affairs shall establish more detailed rules concerning cross-border offers and admission to trading.

Part 4

Security agents as bondholder representatives

Appointment of security agents as representatives

15. In connection with the issuance of a bond, an issuer may appoint one or more security agents as representatives to represent the interests of all bondholders.

(2) Bond holders may, in accordance with the terms of the bonds or an ancillary agreement, appoint or replace one or more security agents to represent the interests of all bondholders.

(3) The appointment under subsection (1) or (2) is also binding for a bondholder's creditors and subsequent buyers of the bond, and in case a bondholder or an official receiver goes into reconstruction proceedings.

Rights, obligations and powers of the security agent

16. The terms for the security agent, including the security agent's obligations and powers, are determined by the terms of the bonds or an associated agreement. It may result from the terms of the bonds or an associated agreement that the bondholders cannot independently execute the powers granted to the security agent.

(2) A security agent, who has been appointed according to section 15(1) or (2), shall represent the interests of the bondholders towards the bond issuer and shall ensure that the assets of the bondholders are kept separated from the personal assets of the security agent.

(3) The execution of the powers of the security agent according to this Part and in accordance with the terms of the bonds or an ancillary agreement has immediate legal effects on the bondholders.

(4) The rights and obligations of the security agent in accordance with this Part shall apply to a bond issuance from the date when the security agent is registered as a representative for the bond issuance concerned, cf. section 20(1).

17. Should the security agent have such relationship or connection to the issuer which may reasonably be expected to affect the independence of the security agent, the security agent shall make public such relationship or connection and its nature.

18. Collateral, guarantees, warranties or other forms of security may be provided to a security agent on behalf of the current bondholders and others represented by the security agent at the issuance of the bond concerned. When the security has been provided to a security agent, the security agent may exercise all powers and rights belonging to a right-holder.

(2) Collateral which concerns the bond issuance may be provided to the security agent, unless the terms of the bonds or an associated agreement state otherwise.

Register of security agents

19. The Financial Supervisory Authority shall keep a public register of security agents for one or more specific issuances of bonds in accordance with this Part.

20. The Financial Supervisory Authority shall enter a security agent in the register mentioned in section 19 when the Financial Supervisory Authority has received a notification signed by the security agent and the party who has appointed the security agent as representative concerning the appointment of the security agent relative to a specific issuance, and

1) the security agent is a capital company or a foreign company of comparable corporate type;

2) the security agent's registered office is in Denmark, another country within the European Union or in a country with which the Union has entered into an agreement for the financial area, or Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, Singapore, South Korea, Taiwan, the USA, or other countries established pursuant to subsection (4);
3) it is clear from a draft of the terms of the bonds or an associated agreement for the issuance to which rules the appointment of the security agent is subject, how the security agent may be replaced, and how any new security agent shall be appointed as representative in case the security agent goes bankrupt;
4) the security agent has submitted a notification of registration as representative containing the relevant information needed by the Financial Supervisory Authority to assess whether the conditions of nos. 1-3 are satisfied, and
5) the notification otherwise contains the information which must appear in the register in accordance with the rules issued pursuant to subsection (3).

(2) The Financial Supervisory Authority shall delete the security agent from the register if, no later than 60 days after the registration of the security agent as representative, the Financial Supervisory Authority is not in receipt of sufficient documentation from the security agent to the effect that the bonds of the specific bond issuance have been issued.

(3) The Minister of Industry, Business and Financial Affairs may establish more detailed rules concerning the content of the register of security agents and requirements to the documentation regarding compliance with the conditions for registration.

(4) The Minister of Industry, Business and Financial Affairs may establish more detailed rules concerning which additional countries shall be covered by subsection (1), no. 2.

Part 5

Disclosure obligations for issuers of transferable securities admitted to trading on regulated markets

Home member state

21. Denmark is home member state for:
1) Issuers of debt securities the denomination per unit of which amounts to less than EUR 1,000, with registered office in Denmark.
2) Issuers of shares with registered office in Denmark.
3) Issuers of debt securities the denomination of which per unit amounts to less than EUR 1,000, with registered office in a country outside the European Union with which the Union has not entered into an agreement for the financial area when the issuer has chosen Denmark as home member state.
4) Issuers of shares with registered office in a country outside the European Union with which the Union has not entered into an agreement for the financial area when the issuer has chosen Denmark as home member state.

(2) The issuer may, cf. subsection (1), nos. 3 and 4, choose Denmark as home member state, provided that Denmark belongs to the countries where the issuer's shares or debt securities are admitted to trading on a regulated market.

(3) Issuers of debt securities the denomination of which per unit amounts to EUR 1,000 or more may choose Denmark as home member state, provided that the issuer's registered office is in Denmark, or that Denmark belongs to the countries where the debt securities are admitted to trading on a regulated market.

22. The choice of Denmark as home member state, cf. section 21(3), shall be valid for at least 3 years, unless the issuer's shares and debt securities are no longer admitted to trading in a country within the European Union or a country with which the Union has entered into an agreement for the financial area, or unless the issuer is covered by subsection (2) or section 21(1) during the 3-year period.

(2) Issuers whose shares or debt securities are no longer admitted to trade on a regulated market in the issuer's home member state, cf. section 21(1), nos. 3 and 4 and section 21(3), but instead have been admitted to trading in one or more countries within the European Union or in countries with which the Union has entered into an agreement for the financial area, may choose another home member state. The issuer may choose the new home member state among the countries within the European Union or countries that have entered into an agreement with the Union for the financial area, where the issuer's shares or debt securities are admitted to trading on a regulated market, and the country within the European Union or countries with which the Union has entered into an agreement for the financial area where the issuer has its registered office.

(3) If the issuer has the option to choose home member state under section 21(1), no. 3, section 21(1), no. 4, or section 21(3), and omits to publish its choice of home member state, cf. section 23, no later than 3 months after the issuer's shares or debt securities are initially admitted to trading on a regulated market, the home member state shall be the country where the issuer's shares or debt securities are admitted to trading on a regulated market. If the issuer has admitted shares or debt securities on a regulated market in several countries within the European Union or countries with which the Union has entered into an agreement for the financial area, and the issuer has not published the choice of home member state, all the countries are considered to be home member states until the issuer publishes the chosen home member state in accordance with section 23.

23. An issuer shall publish its choice of home member state.

(2) An issuer shall simultaneously state the choice of home member state to the competent authority in the home member state and the competent authorities in all host member states. If the home member state of the issuer is not the country of the issuer's registered office, the issuer shall also inform the competent authority in the country where the issuer has its registered office of the choice of home member state.

Requirements for publication of information

24. An issuer shall publish and disseminate information according to this Part and article 17(1) and (7) of Regulation (EU) no. 596/2014 of 16 April 2014 of the European Parliament and of the Council on market abuse (market abuse regulation) in such manner that the information can be quickly accessed throughout the European Union and in countries with which the Union has entered into an agreement for the financial area. The dissemination of information shall take place on a non-discriminatory basis.

(2) The information shall be disseminated via media which may reasonably be expected to ensure that the information reaches the public throughout the European Union and in countries with which the Union has entered into an agreement for the financial area.

25. An issuer shall concurrently with the publication of information, as mentioned in section 24(1), submit the information to the Financial Supervisory Authority, who will keep it. The Financial Supervisory Authority may appoint other authorities or legal persons within or outside of Denmark to manage this task.

Periodical disclosure obligations

26. An issuer of shares and debt securities shall no later than 4 months after the end of its financial year publish an annual report.

(2) The financial statements of the annual report shall be prepared in accordance with the national legislation of the country within the European Union, or the country with which the Union has entered into an agreement for the financial area, and where the issuer has its registered office . Where the issuer is required to prepare consolidated financial statements, the audited annual financial statements shall include such consolidated financial statements prepared in accordance with Regulation (EU) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on application of international accounting standards and the parent company's annual financial statements prepared in accordance with the legislation of the country in which the parent company is incorporated.

(3) An annual report published under subsection (1) shall be publicly available for at least 10 years.

(4) The Minister of Industry, Business and Financial Affairs may establish rules on the requirements for the annual reports from issuers with registered offices in a country outside the European Union with which the Union has not entered into an agreement for the financial area, and concerning the responsibility for the information that must be provided and made public in the annual report.

27. Issuers of shares and debt securities shall, as soon as possible and within three months after the end of the six-month period, publish a semi-annual financial report, which has been approved by the supreme management body.

(2) The financial statements of the semi-annual financial report shall be prepared in accordance with the national legislation of the country within the European Union, or the country with which the Union has entered into an agreement for the financial area, and where the issuer has its registered office. Where the issuer is required to prepare consolidated financial statements, the financial statements shall be prepared in accordance with international accounting standards for interim financial statements adopted in accordance with the procedure specified in Regulation (EC) no. 1606/2002 of 19 July 2002 on the application of international accounting standards.

(3) Semi-annual reports published under subsection (1) shall be publicly available for at least 10 years.

(4) The Minister of Industry, Business and Financial Affairs may establish rules on the requirements for semi-annual reports from issuers with registered offices in a country outside the European Union with which the Union has not entered into an agreement for the financial area, and concerning the responsibility for the information that must be provided and made public in the semi-annual report.

28. Sections 26 and 27 shall not apply to the following issuers:

1) Issuers of only debt securities which have been admitted to trading on a regulated market, and the denomination of which per unit is at least EUR 100,000, or if the denomination per unit is, at the issuing date, equivalent to at least EUR 100,000.
2) Countries within the European Union or countries that have an agreement with the Union for the financial area, and regional or municipal authorities in these countries.
3) International public bodies of which one or more countries within the European Union or countries with which the Union has entered into an agreement for the financial area are a member.
4) The European Central Bank (ECB).
5) The European Financial Stability Facility (EFSF).
6) The European Stability Mechanism (ESM).
7) Other mechanisms created to maintain the financial stability of the Economic and Monetary Union by granting temporary financial assistance to those countries within the European Union whose currency is the Euro.
8) Central banks within the European Union or countries with which the Union has entered into an agreement for the financial area.

(2) Moreover, section 26 shall not apply to issuers who solely issue debt securities admitted to trading on a regulated market if the denomination per unit is at least EUR 50,000, or if the denomination per unit is, at the date of the issue, equivalent to at least EUR 50,000, and the debt securities were admitted to trading on a regulated market before 31 December 2010.

Information on payments to government authorities

29. An issuer mentioned in sections 26 and 27 with any activity involving the exploration, prospecting, discovery, development, and extraction of minerals, oil, natural gas deposits, etc. or logging of primary forests shall no later than 6 months after the end of each financial year publish a report on payments to government authorities, which has been approved by the supreme management body.

(2) Payments to government authorities shall be determined at group level.

(3) A report published under subsection (1) shall be publicly available for at least 10 years.

(4) Sections 99(c) and 128(a) of the Danish Financial Statements Act shall apply to reports on payments to

government authorities from issuers with registered office in Denmark. Reports from issuers with registered office in another country within the European Union, or in a country with which the Union has entered into an agreement for the financial area, shall be prepared in accordance with legislation implementing Part 10 of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, in the country where the issuer has its registered office.

(5) The Minister of Industry, Business and Financial Affairs may establish rules on the requirements for reports from issuers with offices in a country outside the European Union with which the Union has not entered into an agreement for the financial area.

Disclosure requirements on changes in the holdings of major shareholders

30. An issuer of shares shall, upon receipt of an announcement on flagging of voting rights and share capital, cf. sections 38-40, publish the content of the announcement. This shall take place after the receipt of the announcement, however, no later than after 3 working days.

Information on holdings of own shares

31. An issuer of shares shall immediately, however, no later than after 4 working days, publish an announcement on the direct and indirect holdings of own shares when the holding reaches, exceeds or falls below the thresholds of 5 or 10 percent of the voting rights or the share capital.

Publication of changes in voting rights and the total amount of capital

32. An issuer of shares shall publish the total number of voting rights and the total amount of capital of the undertaking no later than at the end of each calendar month in which a change took place.

Information on changes in rights

33. An issuer of shares shall without delay publish any change in the rights attaching to the various share classes, including changes in the rights attaching to derivative instruments issued by the issuer itself and giving access to the shares of that issuer.

(2) Subsection (1) shall also apply to rights attaching to other transferable securities than shares, including changes in the terms and conditions of these transferable securities which may indirectly affect these rights.

Equal treatment of shareholders, etc.

34. An issuer of shares not regulated by the Companies Act shall ensure equal treatment of all shareholders within the same share class.

(2) Issuers covered by subsection (1) shall ensure that all facilities and information necessary for the shareholders to exercise their rights are publicly available in the home member state, including

1) providing information on the time, place and the agenda of the general meeting, the total number of shares and voting rights as well as the shareholders' right of participation in the general meeting;
2) making a proxy form available to each person entitled to vote at the general meeting of the undertaking, together with the notice concerning the meeting or, upon request, after an announcement of the general meeting; and
3) publishing notices or distributing circulars concerning the allocation and payment of dividends and the issue of new shares, including information on any arrangements for allotment, subscription, cancellation or conversion.

(3) Issuers covered by subsection (1) may at a general meeting decide that communication with shareholders is to take place electronically. Section 92 of the Companies Act applies to such electronic communication according to the first sentence.

35. An issuer of debt securities shall ensure that all holders of debt securities ranking pari passu are given equal treatment in respect of all the rights attaching to those debt securities.

(2) Issuers covered by subsection (1) shall ensure that all facilities and information necessary for the holders of the debt securities to exercise their rights are publicly available in the home member state. In particular, the issuer shall

1) publish notices or distribute circulars concerning the time, place and the agenda of meetings of holders of debt securities, the payment of interest, the exercise of any conversion, exchange, subscription or cancellation rights, and repayment as well as the right of those holders to participate therein;
2) make a proxy form available to each person entitled to vote at a meeting of debt securities holders, together with the notice concerning the meeting or, upon request, after an announcement of the meeting; and
3) designate a financial institution as its agent through which the holders of debt securities may exercise their rights.

(3) Issuers covered by subsection (1) may at a meeting of bondholders, or in case this is not held, at a general meeting decide that communication with holders of debt securities is to take place electronically. Section 92 of the Companies Act applies to such electronic communication.

(4) Issuers covered by subsection (1), and where the denomination per unit of the debt securities issued is at least EUR 100,000, may convene a meeting in any country within the European Union, or in a country with which the Union has entered into an agreement for the financial area. The first sentence shall also be applicable to issuers covered by subsection (1), where the denomination per unit of the debt securities issued is at least EUR 50,000 if these have been admitted to trading on a regulated market in the European Union prior to 31 December 2010.

Authorisation

36. The Minister of Industry, Business and Financial Affairs may establish more detailed rules concerning the information obligations of the issuers, including language,

content and the method of publication, registration and storage of the information.

Part 6

Statement on deferred disclosure of inside information

37. A statement in accordance with article 17(4) of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation) shall, upon request, be submitted to the Danish Financial Supervisory Authority.

III

Investors and offerors

Part 7

Major shareholder notifications

38. Any natural or legal person who directly or indirectly holds shares in an undertaking covered by section 1(5) shall notify the undertaking and the Danish Financial Supervisory Authority of holding of shares in the undertaking when the holding reaches, exceeds or falls below the thresholds of 5, 10, 15, 20, 25, 50 or 90 percent and the thresholds of one-third or two-thirds of the voting rights or the share capital.

(2) The obligation to notify under subsection (1) includes voting rights which any natural or legal person is entitled to acquire, exercise, or dispose of in one of the following cases or a combination of these, and which

1) are held by a third party with whom the natural or legal person has concluded an agreement, which obliges them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy toward the management of the undertaking;
2) are held by a third party according to an agreement concluded with that natural or legal person providing for the temporary transfer for consideration of the voting rights in question;
3) are attached to shares which are lodged as collateral with the natural or legal person in so far as the person controls the voting rights and declares his intent to exercise these;
4) are attached to shares over which the natural or legal person has life interest;
5) are held or may be exercised as mentioned in nos. 1-4 by an undertaking which is controlled by the natural or legal person;
6) are attached to shares deposited with the natural or legal person who can exercise the voting rights at its discretion in the absence of specific instructions from the shareholders;
7) are held by a third party in its own name on behalf of the natural or legal person; or
8) the natural or legal person can exercise by proxy, and which the person can exercise at its discretion in the absence of specific instructions from the shareholders.

39. Any natural or legal person who directly or indirectly holds financial instruments covered by subsection (2) shall notify the undertaking that has issued the underlying shares and the Financial Supervisory Authority when the holding of voting rights or share capital reaches, exceeds or falls below the thresholds of 5, 10, 15, 20, 25, 50 or 90 percent and the thresholds of one-third or two-thirds of the underlying shares.

(2) The obligation to notify under subsection (1) includes:

1) Financial instruments that give the holder, under a formal agreement, either the unconditional right to acquire or the discretion as to his right to acquire shares already issued in undertakings referred to in section 1(5)(1).
2) Financial instruments that are not referred to in no. 1, but are based on shares in undertakings referred to in section 1(5)(1), and which have economic effect similar to that of the financial instruments referred to in no. 1, whether or not they confer a right to acquire the shares.

(3) The holding pursuant to subsection (1) shall be calculated by reference to the full notional amount of shares underlying the financial instrument. Where the financial instrument provides exclusively for a cash settlement, the holding is calculated on a delta-adjusted basis by multiplying the notional amount of underlying shares by the delta of the instrument.

(4) For the purpose of calculation set out in subsection (3), all financial instruments relating to the same underlying issuer shall be included. 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.

40. The obligation to notify under section 38 shall also apply to any natural or legal person when the proportion of the voting rights or of the share capital directly or indirectly held by the person in accordance with section 38, together with the proportion of the voting rights or of the share capital attached to financial instruments directly or indirectly held in accordance with section 39, reach, exceed or fall below the thresholds of 5, 10, 15, 20, 25, 50 or 90 percent and the thresholds of one-third or two-thirds of the voting rights or of the share capital.

(2) The notification under subsection (1) shall include a breakdown into the proportion of the voting rights and of the share capital attached to shares held in accordance with section 38 and the proportion of the voting rights and of the share capital attached to financial instruments in accordance with section 39.

41. If the obligation to notify under sections 38-40 arises due to a transaction effected by the person obliged to notify, the notification to the undertaking and the Financial Supervisory Authority shall be made immediately, however, not later than 4 working days after the person under an obligation to notify becomes or should have become aware that the transaction has taken place, cf., however, subsection (3). The first clause shall also apply to transactions effected by a third party on behalf of the person under an obligation to notify.

(2) If the obligation to notify under sections 38-40 arises due to the issuer having published a change in the total number of voting rights or the total amount of capital in the undertaking, cf. section 32, the notification to the undertaking and the Financial Supervisory Authority shall

be made immediately, however, not later than 4 working days after the person under an obligation to notify becomes aware that the transaction has been executed.

(3) The person under an obligation to notify under subsection (1) shall be deemed to be aware that the obligation to notify begins not later than 2 working days after the transaction.

42. The Financial Supervisory Authority may suspend the exercise of voting rights by shareholders attached to shareholdings in the undertaking that is to be notified, in cases of serious or repeated infringements of sections 38-40, rules laid down in accordance with section 43, or regulations issued in accordance with Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers, whose securities are admitted to trading on a regulated market.

43. The Minister of Industry, Business and Financial Affairs may establish more detailed rules on:

1) Holding and notification of holding of shares, rights to acquire, exercise, or dispose of voting rights and financial instruments under sections 38-40.
2) The method of calculation for holdings of financial instruments.
3) Exemption from the obligation to notify in sections 38-40.
4) Suspension of the exercise of voting rights of the shareholder under section 42.

Part 8

Takeover bids

Mandatory takeover bids

44. Control, as covered in section 45, exists when the acquirer, or persons acting in concert with him, directly or indirectly holds at least one-third of the voting rights in an undertaking, unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control.

(2) Additionally, control, as covered in section 45, exists when an acquirer, or persons acting in concert with him, who does not hold at least one-third of the voting rights in an undertaking, has possession of at least one-third of the voting rights through an agreement or his power to appoint or remove the majority of the members of the central management body of the company.

(3) Voting rights attached to shares held by the undertaking itself or its subsidiaries are included in making up the voting rights. An obligation to make a bid under section 45 is triggered when an undertaking acquires own shares if the repurchase is influenced by the offeree company whereby a person acquires control under subsection (1) or (2).

45. Where shares are acquired directly or indirectly by an acquirer, or persons acting in concert with him, the acquirer, or persons acting in concert with him, shall afford all shareholders of the offeree company the option to sell their shares on identical terms if the acquisition leads to the acquirer, and any persons acting in concert with him, acquiring control of the offeree company.

46. Section 45 shall not apply:

1) In case of an acquisition resulting from a voluntary takeover bid, cf. section 47, to all shareholders to transfer their shares if the voluntary takeover bid satisfies the conditions in section 48, and the acquirer obtains, as a result of the voluntary takeover bid, more than half the voting rights.
2) In case of acquisition of shares through inheritance, enforcement actions, or transfer within the same group.
3) In case of acquisition of shares as a consequence of underwriting of issues or as a consequence of an agreement with the issuer or one or more shareholders on resale of shares if, no later than 5 working days after the acquisition, shares are sold to such an extent that the holder no longer has control, and in this period the voting rights are not exercised or otherwise used to exercise control.

(2) Furthermore, the Financial Supervisory Authority may waive the obligation of section 45 in exceptional circumstances.

Voluntary takeover bids

47. Where a public voluntary takeover bid is made with a view to obtaining control as covered in section 45, and there is no obligation to make a bid under section 45, the offeror shall afford all shareholders the option to sell their shares on identical terms.

Requirements for an offer document

48. An offeror shall draw up and make public an offer document, which must be approved by the Financial Supervisory Authority.

(2) The offer document shall contain the information necessary to enable the shareholders to reach a properly informed decision on the bid.

Authorisation

49. The Minister of Industry, Business and Financial Affairs may lay down more detailed rules on:

1) Mandatory takeover bids.
2) Voluntary takeover bids.
3) Announcement of decision to make a bid
4) The content of the offer document, including offering price and consideration, prohibition of agreements on bonuses or similar benefits.
5) Approval and publication of documents and equal treatment of shareholders after closure of the bid.
6) An obligation for the central management body of the offeree company to explain the content of the bid, as well as other duties of the central management body with regard to the takeover bid.
7) The applicable law for the takeover bid, and which authorities have competence.

Part 9

Qualifying holdings

Operator of a regulated market

50. An operator of a regulated market shall publish and inform the Financial Supervisory Authority of the names of

all direct or indirect owners of the undertaking, including the names of natural and legal persons who directly or indirectly have a qualifying holding, cf. section 5(3) of the Financial Business Act, in the operator, and the amounts of these holdings.

(2) The operator of a regulated market shall immediately inform the Financial Supervisory Authority if the operator becomes aware of a proposed acquisition or disposal of holdings resulting in a change of identity of the natural or legal persons who directly or indirectly have a qualifying holding.

(3) The Financial Supervisory Authority may refuse to approve a proposed acquisition of a qualifying holding if there are objective and demonstrable reasons to assume that the acquisition is counter to sound and prudent management of the regulated market. The operator or the proposed acquirer is, upon request from the Financial Supervisory Authority, obliged to provide the Financial Supervisory Authority with the necessary information for their assessment.

Operators of a multilateral trading facility (MTF) or an organised trading facility (OTF).

51. Any natural or legal person, or natural or legal persons acting in concert with each other, who proposes to acquire, directly or indirectly, a qualifying holding, cf. section 5(3) of the Financial Business Act, of an operator of a multilateral trading facility (MTF) or an organised trading facility (OTF) shall in advance apply to the Financial Supervisory Authority for approval of the proposed acquisition. This also applies to an increase of the qualifying holding which makes the acquisition reach or exceed a threshold of 20, 33 and 50 percent, respectively, of the share capital or the voting rights, or results in the undertaking becoming a subsidiary undertaking.

(2) The Financial Supervisory Authority shall in connection with its assessment of an application received under subsection (1) ensure due regard to sound and prudent management of the undertaking in which the acquisition is proposed. Additionally, the assessment shall consider the proposed acquirer's likely influence on the undertaking, the suitability of the proposed acquirer, and the financial solidity of the proposed acquisition based on the following criteria:

1) The reputation of the proposed acquirer.
2) The reputation and experience of the person or persons who upon acquisition will manage the undertaking.
3) The financial situation of the proposed acquirer, particularly with regard to the nature of the businesses being operated or intended to be operated by the operator of the multilateral trading facility (MTF) or the organised trading facility (OTF) in which the acquisition is proposed.
4) Whether the undertaking will be able to continue to comply with the legal supervisory requirements, including whether the group, which the undertaking may become part of, is structured such as to enable effective supervision and effective exchange of information with the competent authorities, and to determine how the responsibilities are to be divided between the competent authorities.
5) Whether there are any reasonable grounds to suspect money laundering or terrorist financing in connection with the proposed acquisition, cf. sections 3 and 4 of the Act on Measures to Prevent Money Laundering and Financing of Terrorism, and whether any attempts have been made to do this, or whether the proposed acquisition might increase the risk of this.

(3) Considerations of the economic needs of the market may not be included in the assessment of the Financial Supervisory Authority under subsection (1).

(4) The Financial Supervisory Authority may reject an application for the approval of a proposed acquisition when, based on the criteria listed in subsection (1), there are reasonable grounds to assume that the proposed acquisition is counter to sound and prudent management of the undertaking, cf. subsection (1), or the Financial Supervisory Authority finds that the information received is insufficient.

(5) The Minister of Industry, Business and Financial Affairs shall establish more detailed rules as to when an acquisition is to be included in the statement under subsection (1).

52. The Financial Supervisory Authority shall confirm receipt of an application under section 51 not later than 2 working days after receipt.

(2) From the time of the written confirmation of receipt of the application, cf. subsection (1), and the required documents that must be attached to the application, the Financial Supervisory Authority has an assessment period of 60 working days to perform the aforementioned assessment under section 51(2)-(4). Concurrently with confirming receipt of the application, cf. subsection (1), the Financial Supervisory Authority informs the proposed acquirer of the date on which the assessment period expires.

(3) The Financial Supervisory Authority may up to the 50th working day of the assessment period request any further information needed for their assessment. This request shall be submitted in writing. Should such request be made, the assessment period is interrupted between the date of the request and the receipt of an answer thereto. This interruption may not, however, exceed 20 working days, see subsection (4). Not later than 2 working days after receipt of the information, the Financial Supervisory Authority shall confirm the receipt in writing.

(4) The Financial Supervisory Authority may extend the interruption of the assessment period as covered in subsection (3) by up to 10 working days if the proposed acquirer

1) resides in or is covered by the legislation in a country outside the European Union that has no agreement with the Union for the financial area; or
2) is a natural or legal person who has not been authorised to carry out financial activities, cf. sections 7-11 of the Financial Business Act, the business of issuing electronic money, cf. section 2 a of the Payment Services and Electronic Money Act, or business as a regulated market, cf. section 59 of this act, in Denmark or in another country within the European Union or a country with which the Union has entered into an agreement for the financial area,

(5) If the Financial Supervisory Authority does not reject the application in writing during the assessment period, the acquisition shall be considered approved.

(6) When approving an acquisition or increase, cf. section 51(1), the Financial Supervisory Authority may specify a time limit for its execution. The Financial Supervisory Authority may extend such time limit.

(7) If the Financial Supervisory Authority rejects an application for approval of a proposed acquisition, this must be motivated in writing and announced to the proposed acquirer not later than 2 working days after this decision. The announcement shall be made within the assessment period. The Financial Supervisory Authority shall be obliged to publish its motivation for the rejection, should the proposed acquirer request this of the Financial Supervisory Authority.

53. Any natural or legal person, or natural or legal persons acting in concert with each other, and who intends to sell, directly or indirectly, a qualifying holding, cf. section 5(3) of the Financial Business Act, of an operator of a multilateral trading facility (MTF) or an organised trading facility (OTF), shall in advance inform the Financial Supervisory Authority in writing of this and state the amount of the proposed future shareholding. The same rules shall apply to a decrease of a qualifying holding in an operator of a multilateral trading facility (MTF) or an organised trading facility (OTF), where the thresholds of 20, 30 and 50 percent of the share capital or the voting rights are no longer reached or the undertaking ceases to be their subsidiary.

54. Should an operator of a multilateral trading facility (MTF) or an organised trading facility (OTF) become aware of acquisitions or disposals of holdings as covered in section 51(1) and section 53, the undertaking must immediately inform the Financial Supervisory Authority.

(2) An operator of a multilateral trading facility (MTF) or an organised trading facility (OTF) shall no later than at the end of February inform the Financial Supervisory Authority of the names of the shareholders who at the end of the previous year owned a qualifying holding in the undertaking,as well as the size of these holdings.

55. Should shareholders with holdings as covered in section 51(1) not meet the requirements of section 51(2), the Financial Supervisory Authority may suspend the voting rights attached to the shares held by the shareholder concerned or order the undertaking to follow certain guidelines.

(2) The Financial Supervisory Authority may suspend the voting rights attached to the shares held by natural or legal persons who do not comply with the obligation of section 51(1) on prior application for approval. Full voting rights are returned to the shares if the Financial Supervisory Authority is able to approve the acquisition.

(3) Should a natural or legal person have acquired shares as mentioned in section 51(1), irrespective that the Financial Supervisory Authority has refused to approve this acquisition of shares, the Financial Supervisory Authority shall cancel the voting rights attached to these shares.

(4) If the Financial Supervisory Authority has suspended the voting rights in accordance with subsections (1)-(3), this share may not be included in the statement of the capital carrying voting rights that is represented at the general meeting.

IV

Common rules for undertakings under supervision

Part 10

Duty of professional secrecy

56. Board members and auditors as well as executive directors and staff with operators of a regulated market, data reporting services providers, central counterparties (CCPs), and central securities depositories (CSD) may not without authorisation disclose knowledge obtained in the performance of their position or duties. Where a data reporting services provider is run as a one-man business, the first clause shall similarly apply to the business owner.

(2) Subsection (1) does not preclude an undertaking covered by subsection (1) from cooperating with other undertakings covered by subsection (1), a regulated market for financial instruments in a country within the European Union or a country with which the Union has entered into a cooperation agreement for the financial area, or a foreign regulated market recognised by the Financial Supervisory Authority, a data reporting services provider, a central counterparty (CCP), and a central securities depository (CSD) disclosing information to such, if the information is covered by an equivalent obligation of professional secrecy for the recipients.

(3) Also included in subsection (1) is information that an undertaking covered by subsection (1) receives from other undertakings covered by subsection (1), or foreign regulated markets, a data reporting services provider, central counterparties (CCPs), and central securities depositories (CSDs), stating that the information is secret or confidential, or where this is clear from the nature of the information.

Submission of auditor's long-form reports and annual reports

57. Pertaining to an operator of a regulated market, a data reporting services provider, a central counterparty (CCP), central securities depository (CSD), and a registered payment system, the auditor's long-form report to the annual report, and for undertakings with internal audit also the internal auditor's report to the annual report, shall be submitted to the Financial Supervisory Authority no later than concurrently with the submission of the annual report to the Danish Business Authority. If the auditor does not prepare an auditor's long-form report to the annual report, the undertaking must submit other comparable documentation.

(2) The Financial Supervisory Authority may upon negotiation with the Danish Business Authority establish rules for the submission of annual reports to the Danish Business Authority and rules for the publication of annual reports. This includes establishing rules concerning the annual reports being submitted digitally to the Danish Business Authority, and that the communication in this connection shall be digital.

Reporting scheme

58. An operator of a regulated market, a data reporting services provider, and a central securities depository (CSD) shall maintain a scheme whereby, through a specific, independent and autonomous channel, the staff of the undertaking may report infringements or potential infringements of this Act or rules pursuant to it or regulations of the European Union covering the areas of this Act of which the Financial Supervisory Authority oversees compliance in accordance with the rules in section 211(1)-(3) and section 213(1)-(3) and (5), committed by the undertaking, including the staff and members of the board of the undertaking. It shall be possible to make reports anonymously in accordance with the scheme.

(2) The scheme in subsection (1) may be established by means of a collective agreement.

(3) Employers who carry out activities subject to supervision shall introduce appropriate internal procedures, whereby the employees of the undertaking may report infringements of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014, on market abuse (the market abuse regulation) and rules laid down pursuant to this.

V Regulated markets

Part 11

Authorisations, etc.

59. Operation of a regulated market may not commence until the Financial Supervisory Authority has granted authorisation.

(2) The authorisation under subsection (1) is granted when

1) members of the board of directors and the executive board of the applicant or the owner of an operator of a regulated market, which is a one-man business, comply with the requirements in sections 68 and 69, and members of the board of an applicant, or the owner of an applicant that is a one-man business, which in 2 consecutive financial years have had a net turnover of DKK 100 million or more, meet the requirement in section 70(1), cf. subsection (3);
2) owners of qualifying holdings meet the requirements in section 50; and
3) the applicant meets the requirements in Parts 11-14, 22, and 23.

(3) Members of the board of directors and the executive board of the applicant that is an already approved operator of a regulated market in a country within the European Union or a country with which the Union has entered into an agreement for the financial area, or the owner of a one-man business, who is an already approved operator of a regulated market in a country within the European Union or a country with which the Union has entered into an agreement for the financial area, are considered in compliance with the requirements of section 68 with regard to an application for authorisation to operate a regulated market.

(4) An application for authorisation under subsection (1) shall contain the information necessary for the Financial Supervisory Authority to assess whether, at the time of the authorisation, the applicant meets the requirements in Parts 11-14, 22, and 23, including a business plan, an organisation chart, administrative procedures and control and security measures.

(5) Authorisation or refusal of authorisation shall be notified to the applicant no later than 6 months after the receipt of a complete application. The Financial Supervisory Authority shall, notwithstanding the first clause, make a decision no later than 12 months after receipt of the application. Should the Financial Supervisory Authority not have come to a decision within 6 months of receipt of a complete application for authorisation, the applicant may refer the matter to the courts.

(6) Where an operator of a regulated market is run as a legal person without any board or management, subsection (2), no. 1 and subsection (3) shall apply to the persons discharging managerial responsibilities.

60. The Financial Supervisory Authority may withdraw an authorisation under section 59 when

1) the operator of a regulated market expressly waives its use of the authorisation;
2) the operation of a regulated market has not commenced within 12 months after the authorisation was granted;
3) the operation of a regulated market is not being exercised over a period of 6 months;
4) the operator of a regulated market has obtained the authorisation by making false statements or by any other irregular means;
5) the operator of a regulated market no longer meets the conditions upon which the authorisation was granted;
6) the owner of an operator of a regulated market which is a one-man business has been charged with infringement of the criminal code, this Act, or other financial legislation, until such time as the criminal case is decided if the court's decision implies that the person will not meet the requirements of section 68(1), no. 3; or
7) the operator of a regulated market is found to be in serious or repeated breach of the obligations under this Act, rules pursuant to the Act, directions imposed pursuant to Part 37, or obligations according to Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, and rules pursuant to this.

(2) Withdrawal of an authorisation in accordance with subsection (1), no. 5 based on non-compliance with the requirements in section 68(1), nos. 2-5 or section 69, and withdrawal under subsection (1), no. 6 may be brought before the courts by the owner of an operator of a regulated market which is a one-man business. An application to this effect shall be submitted to the Financial Supervisory Authority within 4 weeks after the withdrawal has been announced to the applicant. The Financial Supervisory Authority shall bring the case before the courts within 4 weeks of receipt of the application. The case shall be tried within the civil court system.

61. Operators of a regulated market who operate a market at which financial instruments are admitted to

trading have exclusive right to use the terms stock exchange and regulated market in their name and concerning the regulated market.

(2) An operator of a regulated market shall on its homepage publish the rules applying to the financial instruments that are admitted to trading on the particular regulated market.

(3) Other natural or legal persons than operators under subsection (1) may not use names or designations for their undertaking which are likely to create the impression that they operate a regulated market where financial instruments are admitted to trading.

62. The Minister of Industry, Business and Financial Affairs shall establish more detailed rules concerning the outsourcing of the operation of a regulated market as regards

1) the responsibility of the outsourcing undertaking and control of a supplier, including the supplier's sub-outsourcing;
2) the obligation of the outsourcing undertaking to inform the Financial Supervisory Authority of the conclusion of the outsourcing contract;
3) the internal guidelines for outsourcing of the outsourcing undertaking; and
4) requirements which the outsourcing undertaking must, as a minimum, ensure that the supplier fulfils at all times, and which must be agreed upon in the outsourcing contract.

(2) The Financial Supervisory Authority may decide whether the outsourcing of the outsourcing undertaking shall be terminated within a time limit set by the Financial Supervisory Authority if the outsourcing contract or its parties do not comply with the rules established in subsection (1).

Part 12

Management and organisation of the regulated market

63. The board of directors of an operator of a regulated market shall ensure effective and prudent management of the operator. The board of directors shall evaluate whether the executive board perform their duties adequately and in accordance with the obligations of the operator under section 71.

(2) The board of directors of an operator of a regulated market shall decide upon the frequency and the scope of the executive board's reports and information to the board of directors, so that the board of directors has a detailed overview of the operator and its risks, and so that the reporting in general is sufficient for the board of directors to perform its duties.

(3) Where an operator of a regulated market is run as a legal person without a board of directors, subsections (1) and (2) shall apply similarly to the supreme management body.

(4) Where an operator of a regulated market is run as a one-man business, the owner shall ensure effective and prudent management of the operator.

64. The board of directors of an operator of a regulated market shall establish a policy for board diversity, which promotes sufficient diversity of qualifications and competences among the members of the board of directors.

(2) Where an operator of a regulated market has a nomination committee under section 65, the obligation under subsection (1) shall be the responsibility of the nomination committee.

(3) Where an operator of a regulated market is operated as a legal person without a board of directors, subsection (1) shall apply similarly to the supreme management body.

(4) An operator of a regulated market which is a one-man business shall not be required to establish a policy on diversity as mentioned in subsection (1).

65. An operator of a regulated market which in two consecutive financial years has had a net turnover of DKK 100 million or above shall appoint a nomination committee.

(2) The chairman and members of the nomination committee shall be members of the board of directors of the operator concerned.

(3) The nomination committee shall

1) propose candidates for election to the board of directors;
2) set target figures for the proportion of the under-represented gender on the board of directors and formulate a policy on how to achieve the target figures;
3) establish a policy for board diversity which promotes sufficient diversity of qualifications and competences among the members of the board of directors;
4) on an ongoing basis and at least once annually, assess the size, structure, composition, and results of the board of directors relative to the tasks to be performed, and report and propose recommendations for any changes in this regard to the board of directors as a whole;
5) on an ongoing basis and at least once annually, assess whether the board of directors as a whole possesses the necessary combination of knowledge, technical competence, diversity, and experience, and whether the individual board member meets the requirements of section 68, and report and propose recommendations for any changes in this regard to the board of directors as a whole;
6) on an ongoing basis, review the board's policy on selection and appointment of members of the executive board, if such policy is established, and propose recommendations to the board of directors in this regard.

(4) When the nomination committee proposes candidates for selection to the board of directors in accordance with subsection (3), no 1, the nomination committee shall prepare a description of roles and capabilities required for the particular appointment, and assess the time commitment expected.

(5) The nomination committee shall be able to use all forms of resources which the committee considers necessary, including external advice, and the operator in question shall ensure that the nomination committee has sufficient financial resources for this.

(6) Where an operator of a regulated market is operated as a legal person without a board of directors, subsections

(2)-(5) shall apply similarly to the supreme management body.

(7) Subsections (1)-(5) shall not apply to an operator of a regulated market that is operated as a one-man business.

66. The board of directors of an operator of a regulated market shall ensure that its members possess sufficient collective knowledge, skills, and experience to understand the activities of the operator and the associated risks.

(2) Where an operator of a regulated market is operated as a legal person without a board of directors, subsection (1) shall apply similarly to the supreme management body.

(3) Subsection (1) shall not apply to an operator of a regulated market that is a one-man business.

67. An operator of regulated market shall allocate adequate human and financial resources to ensure sufficient scope for introduction and training of the members of the board of directors and the executive board, or the owner of an operator of a regulated market that is a one-man business.

(2) Where an operator of a regulated market is operated as a legal person without a board of directors or executive board, the operator shall allocate adequate human and financial resources to ensure sufficient scope for introduction and training of the members of the supreme management body and the day-to-day management.

68. A member of the board of directors or the executive board of an operator of a regulated market or the owner of an operator of a regulated market which is a one-man business,

1) shall have sufficient knowledge, skills, and experience to perform his functions or position;
2) shall have a sufficiently good reputation and shall be able to act with honesty, integrity, and sufficient independence in the performance of his functions or position;
3) may not be held criminally liable for infringements of the criminal code, financial legislation, or any other relevant legislation if such infringement carries any risk that the person would not be able to perform his functions or position in a satisfactory manner;
4) may not have filed for reconstruction proceedings, bankruptcy, or rescheduling of debt; and
5) may not have demonstrated such behaviour that there is reason to believe that the member is not able to perform his functions or position responsibly.

(2) A member of the board of directors or the executive board of an operator of a regulated market shall inform the Financial Supervisory Authority of any circumstances mentioned in subsection (1) in connection with his entry into company management and of circumstances as covered in subsection (1), nos. 2-5 if those circumstances change subsequently. An operator of a regulated market, which is a one-man business, shall inform the Financial Supervisory Authority of any circumstances mentioned in subsection (1) in connection with an application for authorisation, cf. section 59, and of circumstances as covered in subsection (1), nos. 2-5 if those circumstances later change.

(3) Where an operator of a regulated market is run as a legal person without any board of directors or executive board, subsections (1) and (2) shall similarly apply to the person or persons discharging managerial responsibilities.

69. A member of the board of directors or the executive board of an operator of a regulated market or the owner of an operator of a regulated market which is a one-man business shall allocate sufficient time to perform his functions or position in the operator concerned.

(2) Where an operator of a regulated market is run as a legal person without any board of directors or executive board, subsection (1) shall similarly apply to the person or persons discharging managerial responsibilities.

70. A member of the board of directors of an operator of a regulated market or the owner of an operator of a regulated market which is a one-man business, which in two consecutive financial years has had a net turnover of DKK 100 million or more, may, besides the position in the operator concerned, hold either one executive directorship combined with two non-executive directorships or a total of four non-executive directorships, see subsections (2)-(9).

(2) Subsection (1) shall not apply to a member of the board of directors of an operator of a regulated market who has been appointed to the board of directors of the operator by the Danish government or a company owned by the Danish government.

(3) Executive directorships and non-executive directorships in undertakings or organisations which do not pursue mostly commercial purposes, or non-executive directorships in undertakings where the member has been appointed to the board of directors by the Danish government or a company owned by the Danish government, shall not be included in the statement of the number of positions and functions under subsection (1).

(4) Executive directorships and non-executive directorships in affiliated undertakings are stated as one combined executive directorship or one combined non-executive directorship in the statement of the number of positions and functions under subsection (1).

(5) Executive directorships and non-executive directorships in undertakings in which the operator of a regulated market has a qualifying holding are stated as one combined executive directorship or one combined non-executive directorship in the statement of the number of positions and functions under subsection (1).

(6) The Financial Supervisory Authority may permit a member of the board of directors to perform one other non-executive directorship in addition to the number covered in subsection (1) if this is deemed prudent in consideration of the board member's other executive directorships and non-executive directorships and the related work. The same shall apply to an operator of a regulated market that is a one-man business.

(7) The Financial Supervisory Authority may in special cases, where an executive directorship or a non-executive directorship requires very limited use of resources, allow that the position or function not be included in the statement of the number of positions and functions under subsection (1).

(8) A member of the board of directors of an operator of a regulated market covered by subsection (1) who at that time holds more executive directorships and non-executive directorships than permitted under subsection

(1) may continue to hold these positions and functions until the end of the election period for the non-executive directorship which results in the board member being covered by subsection (1). The owner of an operator of a regulated market which is a one-man business covered by subsection (1) who at that time holds more executive directorships and non-executive directorships than permitted under subsection (1) may continue to hold these positions and functions until 12 months after the end of the financial year in which the board member was covered by subsection (1).

(9) Alternates who enter the board of directors of an operator of a regulated market, which in two consecutive financial years has had a net turnover of DKK 100 million or more, and who at the time of appointment to the board of directors hold more executive directorships and non-executive directorships than permitted under subsection (1), may continue to hold these positions and functions until the end of the election period for the non-executive directorship with the operator.

(10) Where an operator of a regulated market is operated as a legal person without a board of directors, subsection (1), subject to subsections (2)-(9), shall similarly apply to the person or persons discharging managerial responsibilities.

Part 13

Requirements for operation, access, etc.

71. An operator of a regulated market is responsible for ensuring that the market in question is operated safely and appropriately.

(2) An operator of a regulated market shall

1) be able to identify and handle any conflicts of interest between the operator and the group of owners of the operator on the one hand and the orderly functioning of the market on the other hand;
2) be able to manage the risks to which the operator and the market are exposed, including to identify all significant risks to its operation, and to introduce effective measures to mitigate those risks;
3) ensure proper management of the technical function of the trading venue systems, including establishing effective emergency systems;
4) have clear and transparent rules and procedures that provide for fair and orderly trading and establish objective criteria for the efficient execution of orders;
5) ensure efficient and timely finalisation of the transactions executed under its systems; and
6) have sufficient financial resources to ensure proper operation of the market considering the transactions carried out in the market and the risks to which the market is exposed.

(3) An operator of a regulated market may not execute client orders against own proprietary capital, or engage in matched principal trading.

72. An operator of a regulated market may enter into appropriate arrangements with a central counterparty (CCP), a clearing house, or a settlement institution on clearing and settlement of some or all transactions concluded through the regulated market systems.

(2) When the operator of the regulated market enters into an arrangement, as mentioned in subsection (1), with a party domiciled in a country within the European Union or a country with which the Union has entered into an agreement for the financial area, the Financial Supervisory Authority may only object to the arrangement if it can be established that this is necessary to ensure the orderly functioning of the regulated market or if the Financial Supervisory Authority finds that the clearing and settlement under the arrangement cannot be concluded in a technically sound manner.

73. An operator of a regulated market shall establish rules on membership of the particular market. The rules must be clear, non-discriminatory and based on objective criteria. The rules shall specify possible obligations for the members as a result of

1) establishment and operation of the market;
2) rules for transactions on the market;
3) professional standards imposed on the staff of investment firms operating on the market;
4) conditions established for other members of the market than investment firms; and
5) rules and procedures for clearing and settlement of transactions concluded on the market.

(2) The rules pertaining to the regulated market on clearing and settlement shall ensure that members of the regulated market are entitled to use another settlement system for transactions of financial instruments than the one designated by the operator of the regulated market, if

1) the necessary connections and arrangements have been set up between the settlement system designated by the member and any other relevant system or relevant facility necessary to ensure the efficient and economic settlement of the transaction in question; and
2) the Financial Supervisory Authority finds that the technical conditions for settlement of transactions concluded on the regulated market through a settlement system other than that designated by the operator are such as to allow the effective and orderly functioning of the financial markets.

74. Investment firms with authorisation to execute client orders or to trade on their own behalf, Danmarks Nationalbank, and other central banks in countries within the European Union or countries with which the Union has entered into an agreement for the financial area, shall be entitled to become members of a regulated market if they comply with the rules of membership of the market in question according to section 73. The same shall apply to credit institutions and investment firms with authorisation to execute client orders or to trade on their own behalf in their home member state, but which are not trading financial instruments through a branch or services in this country, cf. sections 30 and 31 of the Financial Business Act.

(2) Investment firms covered by subsection (1) and central banks in countries within the European Union or countries with which the Union has entered into an agreement for the financial area are entitled to become remote members of a regulated market, unless physical presence is necessary to conclude transactions on the

market according to the trading procedures and systems of the regulated market.

(3) An operator of a regulated market may admit other natural or legal persons than those listed in subsection (1) as members of the regulated market, see subsection (4), if the persons have

1) a good reputation;
2) a sufficient level of trading ability, competence, and experience;
3) adequate administrative procedures; and
4) sufficient resources to handle the functions following from the membership of the regulated market, including participation in the financial measures which the operator of the regulated market has taken to ensure proper conclusion of transactions.

(4) Irrespective of subsection (3), an operator of a regulated market may only admit persons domiciled in a country outside the European Union with which the Union has not entered into an agreement for the financial area if they are credit institutions, investment firms, or central banks. Where the particular credit institution or investment firm is not covered by section 2(1), no. 4, admission requires the authorisation of the Financial Supervisory Authority.

(5) An operator of a regulated market shall inform the Financial Supervisory Authority of changes to the membership of the regulated market.

Part 14

Admission to trading, suspension, removal, and supervision

75. An operator of a regulated market shall have transparent rules on admission of financial instruments to trading on the regulated market. The rules shall ensure that financial instruments admitted to trading can be traded in a fair, orderly and efficient manner.

(2) Concerning transferable securities covered by section 4(1), no. 1, the rules shall ensure in particular that the transferable securities are freely transferable.

(3) Concerning derivatives covered by section 4(1), nos. 4-10, the rules shall ensure in particular that the design of the derivative contract allows for its correct pricing as well as for the existence of effective settlement conditions.

(4) An operator of a regulated market may only with prior approval of the Financial Supervisory Authority admit instruments that are not covered by section 4(1) to trading on the regulated market.

76. An operator of a regulated market shall at the admission of financial instruments for trading on the regulated market ensure that the rules according to section 75(1) are complied with, and that an approved, published and valid prospectus exists, cf. section 10.

77. An operator of a regulated market may without the consent of the issuer admit a transferable security to trading on the regulated market if, with the consent of the issuers, the security has been admitted to trading on another regulated market in this country or in another country within the European Union or a country with which the Union has entered into an agreement for the financial area. When admitting a transferable security to trading, the person who arranged for the admission to trading of the security shall be responsible for compliance with the rules in this Act on the disclosure obligations of issuers and on prospectuses.

(2) No later than concurrently with the admission to trading of the security, cf. subsection (1), the operator shall inform the issuer that the issuer's transferable securities have been admitted to trading on the regulated market in question.

78. An operator of a regulated market may suspend or remove a financial instrument from trading on the regulated market if the instrument no longer complies with the rules of the regulated market. Suspension and removal may, however, not be executed if it is likely that this will cause considerable damage to the interests of the investors or the orderly functioning of the market.

(2) An operator, who according to subsection (1) decides on suspension or removal of a financial instrument, shall also suspend or remove derivatives that concern or are based on the instrument in question when this is necessary to fulfil the purposes of the decision taken under subsection (1).

(3) The operator shall as soon as possible publish decisions taken under subsections (1) and (2) and shall no later than concurrently with this provide the Financial Supervisory Authority with the relevant information upon which the decision was based.

(4) The operator may lift a suspension under subsections (1) and (2) if the financial instrument again complies with the rules of the regulated market. Subsections (1)-(3) shall also apply when a suspension of a financial instrument is lifted.

79. Should an operator of a regulated market decide to suspend or remove a financial instrument or derivatives thereof under section 78(1) or (2) due to suspicion of market abuse, a takeover offer, or lacking presentation of inside information about the issuer or the financial instrument in violation of articles 7 and 17 in Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation), the Financial Supervisory Authority may require that the operators of other trading venues and systematic internalisers likewise suspend or remove the financial instrument concerned or its derivatives from trading. Suspension and removal may, however, not be executed if it is likely that this will cause considerable damage to the interests of the investors or the orderly functioning of the market.

(2) Subsection (1) shall also apply to a decision to suspend or remove a financial instrument or its derivatives made by an operator of a trading venue in another country within the European Union or a country with which the Union has entered into an agreement for the financial area.

(3) The Financial Supervisory Authority may rule on the lifting of the suspension from trading of a financial instrument or a derivative which concerns or is based on the relevant financial instrument. Subsections (1) and (2) shall also apply to rulings made by the Financial Supervisory Authority pursuant to the first clause.

80. An operator of a regulated market shall maintain effective arrangements and procedures and necessary

resources for regular supervision ensuring that the members of the regulated market comply with the rules of the market.

(2) An operator of a regulated market shall register the orders which are placed or cancelled and the transactions which the members of the regulated market make by applying the regulated market's systems with a view to establishing any infringements of the rules of the regulated market, trading conditions contrary to the rules of the regulated market, or conduct that may be in violation of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation), or system errors in connection with a financial instrument.

81. An operator of a regulated market shall as soon as possible inform the Financial Supervisory Authority if the operator becomes aware of or suspects significant infringements of the rules of the regulated market, trading conditions contrary to the rules of the regulated market, or conduct that may be in violation of Regulation (EU) no. 596/2014 of the European Parliament and of the Council, of 16 April 2014 on market abuse (the market abuse regulation), or system errors in connection with a financial instrument.

82. An operator of a regulated market shall establish arrangements

1) to check that issuers of transferable securities admitted to trading on the regulated market meet their disclosure obligations;
2) which facilitate access to published information by members of the regulated market; and
3) for regular control that the financial instruments admitted to trading on the regulated market continue to meet the admission requirements in section 75.

Official listing

83. The Financial Supervisory Authority may upon request from an issuer of shares, share certificates, or bonds decide on official listing of the relevant financial instrument if it is admitted or will be admitted to trading on a regulated market.

(2) The Minister of Industry, Business and Financial Affairs may establish more detailed rules on the requirements for official listing of shares, share certificates, and bonds under subsection (1) and on suspension from official listing.

Part 15

CO_2 auction platform

84. An operator of a regulated market domiciled in Denmark may obtain authorisation from the Financial Supervisory Authority to operate an auction platform in accordance with Commission Regulation (EU) No. 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community.

(2) An operator of a regulated market not domiciled in Denmark may obtain authorisation under subsection (1) if

1) the operator is domiciled in another country within the European Union or a country with which the Union has entered into an agreement for the financial area; and
2) the competent authority in the operator's home member state has authorised the operator to operate a regulated market and is supervising the operator in accordance with legislation in the home member state that implements Title III of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.

(3) An operator of a regulated market domiciled in Denmark may obtain authorisation to operate a regulated market with authorisation to be an auction platform in another country within the European Union or a country with which the Union has entered into an agreement for the financial area, in accordance with Commission Regulation (EU) no. 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community if

1) the operator meets the requirements of Titles IV, V, and VII of this Act with the necessary adjustments; and
2) the competent authority in the home member state of the regulated market has authorised the regulated market in accordance with Commission Regulation (EU) no. 1031/2010 of 12 November 2010 on the timing and administrative aspects of auctioning of greenhouse gas emission allowances and other aspects pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community, and supervises the regulated market in accordance with legislation in the home member state that implement Title III of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.

(4) Authorisation or refusal of authorisation under subsections (1)-(3) shall be notified to the applicant no later than 6 months after the receipt of a complete application. The Financial Supervisory Authority shall, regardless of the first clause, make a decision not later than 12 months after the receipt of the application. Should the Financial Supervisory Authority not have come to a decision within 6 months after the receipt of a complete application for authorisation, the operator may refer the matter to the courts.

85. The Financial Supervisory Authority may revoke an authorisation under section 84 if

1) the operation of the auction platform has not commenced within the time limit established in the authorisation, or, where no time limit has been set in the authorisation, within 12 months after the granting of the authorisation;
2) the operator of a regulated market expressly waives its use of the authorisation;

3) the operation of the auction platform is not being exercised over a continuous period of 6 months,
4) the operator of a regulated market has obtained the authorisation by making false statements or by any other irregular means;
5) the operator of a regulated market no longer meets the terms upon which the authorisation was granted; or
6) the operator of a regulated market is found to be in serious or repeated breach of the obligations according to this Act, rules pursuant to this Act, directions imposed pursuant to Part 37, or obligations according to Commission Regulation (EU) no. 1031/2010 of 12 November 2010 on the timing and administrative aspects of auctioning of greenhouse gas emission allowances and other aspects of such auctions pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community.

Title VI

Multilateral Trading Facilities (MTFs) and Organised Trading Facilities (OTFs)

Part 16

Authorisation and withdrawal of authorisation

86. The operator of a regulated market may not commence operation of a multilateral trading facility (MTF) or an organised trading facility (OTF) until the Financial Supervisory Authority has issued its authorisation.

(2) The authorisation under subsection (1) is granted when the operator of a regulated market

1) has authorisation under section 59(1) or section 127;
2) meets the requirements in section 14 in the Financial Business Act; and
3) meets the pertinent requirements in Parts 16-20, 22, and 23.

(3) An application for authorisation under subsection (1) shall contain the information necessary to the assessment by the Financial Supervisory Authority as to whether, at the time of the issuance of the authorisation, the applicant meets the requirements in subsection (2), including a business plan, an organisational chart, administrative procedures, and control and security measures.

(4) Authorisation or refusal of authorisation shall be notified to the applicant no later than 6 months after the receipt of a complete application. The Financial Supervisory Authority shall, regardless of the first clause, make a decision no later than 12 months after the receipt of the application. Should the Financial Supervisory Authority not have come to a decision within 6 months after receipt of a complete application for authorisation, the applicant may refer the matter to the courts.

87. The Financial Supervisory Authority may withdraw an authorisation under section 86 if

1) the operator of a regulated market expressly waives its use of the authorisation;
2) the operation of a multilateral trading facility (MTF) or an organised trading facility (OTF) has not commenced within 12 months after the authorisation was granted;
3) the operation of a multilateral trading facility (MTF) or an organised trading facility (OTF) is not being exercised over a period of 6 months;
4) the operator of a multilateral trading facility (MTF) or an organised trading facility (OTF) has obtained the authorisation by making false statements or by any other irregular means;
5) the operator of a multilateral trading facility (MTF) or an organised trading facility (OTF) no longer meets the terms upon which the authorisation was granted; or
6) the operator of a multilateral trading facility (MTF) or an organised trading facility (OTF) is found to be in serious or repeated breach of the obligations according to this Act, rules pursuant to this act, directions imposed pursuant to Part 37, or obligations according to Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, and rules pursuant thereto.

Part 17

Common rules for the operation of a multilateral trading facility (MTF) or an organised trading facility (OTF)

88. An operator of a multilateral trading facility (MTF) or an organised trading facility (OTF) shall have at least three active members or clients, who each has the option to interact with the other members or clients with regard to price formation.

(2) The operator shall inform the Financial Supervisory Authority of how the trading facility operates, including all connections to or participations in a trading venue or a systematic internaliser which the operator owns, and a list of the members and clients of the trading facility if the circumstances change, or if the Financial Supervisory Authority requests it.

89. An operator of a multilateral trading facility (MTF) or an organised trading facility (OTF) shall ensure that the relevant market is operated safely and appropriately.

(2) The operator shall

1) have clear and transparent rules and procedures that provide for fair and orderly trading and contain objective criteria for the efficient execution of orders;
2) have clear rules for which financial instruments may be traded through the systems of the trading facility;
3) ensure proper management of the technical operation of the facility, including establishing effective emergency systems;
4) be able to identify and handle any conflicts of interest between the operator and the group of owners of the operator on the one hand and the proper functioning of the trading facility on the other hand;
5) ensure that the users of the trading facility have access to sufficient publicly available information to enable them to form an investment judgement;
6) have clear and non-discriminatory rules establishing objective criteria for access to the trading facility; and
7) inform the users of the trading facility of their respective responsibilities for settlement of

transactions carried out in the trading facility systems, and ensure an effective settlement of said transactions.

(3) Additionally, the conditions of section 91 shall apply to access to a multilateral trading facility (MTF).

90. An operator of a multilateral trading facility (MTF) or an organised trading facility (OTF) may not require financial information from an issuer of transferable securities admitted to trading on a regulated market if the issuer's transferable securities are traded on the trading facility without the issuer's consent.

Part 18

Specific rules for the operation of a multilateral trading facility (MTF)

91. An operator of a multilateral trading facility (MTF) may only give access to the trading facility to the following natural or legal persons:

1) Investment firms.
2) Credit institutions and investment firms that have been granted permission in another country within the European Union or in a country with which the Union has entered into an agreement for the financial area, and which do not operate through a branch or deliver services in this country, cf. sections 30 and 31 of the Financial Business Act.
3) Other natural or legal persons, where these have
   a) a good reputation;
   b) sufficient level of trading ability, competence, and experience;
   c) adequate administrative procedures; and
   d) sufficient resources to handle the functions following from the participation in the trade in the multilateral trading facility, including participation in the financial measures which the operator has taken to ensure proper settlement of transactions.

92. An operator of a multilateral trading facility (MTF) shall have non-discriminatory rules for executing client orders in the trading facility systems.

93. An operator of a multilateral trading facility (MTF) shall in addition to the requirements of section 89

1) be able to manage risks that the trading facility is exposed to, be able to identify all significant risks to its operation, and take effective measures to mitigate those risks;
2) ensure efficient and timely finalisation of the transactions executed under the trading facility systems; and
3) command sufficient financial resources to ensure the orderly functioning of the trading facility considering the transactions carried out on the trading facility and the risks to which the trading facility is exposed.

94. Rules issued pursuant to section 43(2) of the Financial Business Act shall apply to transactions executed by the members on behalf of their clients via the multilateral trading facility (MTF).

95. An operator of a multilateral trading facility (MTF) may not execute client orders against proprietary capital or engage in matched principal trading.

96. An operator of a multilateral trading facility (MTF) may enter into appropriate arrangements with a central counterparty (CCP), a clearing house, or a settlement institution on clearing and settlement of some or all transactions concluded through the systems of the multilateral trading facility (MTF).

(2) An operator of a multilateral trading facility (MTF) shall inform the Financial Supervisory Authority of agreements, cf. subsection (1), with a party domiciled in a country within the European Union or a country with which the Union has entered into an agreement for the financial area, no later than 7 days prior to the agreements becoming effective. The Financial Supervisory Authority may only oppose the agreements if they can establish that this is necessary to ensure the orderly functioning of the multilateral trading facility, or if the Financial Supervisory Authority finds that clearing and settlement under the arrangement cannot be concluded in a technically responsible manner.

Part 19

Specific rules for the operation of an organised trading facility (OTF)

97. An organised trading facility (OTF) may not be used for trading of other financial instruments than bonds, structured finance products, emission allowances, and derivatives.

98. An operator of an organised trading facility (OTF) may not execute client orders against own proprietary capital or the proprietary capital of any other unit which constitutes a part of the same group or the same legal person as the operator in question, see sections 99 and 100.

99. An operator of an organised trading facility (OTF) may, with the consent of the client, make use of matched principal trading with bonds, structured finance products, emission allowances, and certain derivatives when

1) an intermediary enters between buyer and seller of the transaction in such a way that the transaction is not exposed to market risk during its execution;
2) the transaction is entered at a price whereby the intermediary has no other profit or loss than the commission, fee or remuneration that was already stated; and
3) the two sides of the transaction are executed simultaneously.

(2) An operator of an organised trading facility (OTF) may not make use of matched principal trading with derivatives which belong to a derivative category covered in article 5 of Regulation (EU) no. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

(3) An operator of an organised trading facility (OTF) shall have arrangements that ensure compliance with the requirements of subsection (1), nos. 1-3.

100. An operator of an organised trading facility (OTF) may only make use of trading on their own behalf other than matched principal trading under section 99 using sovereign debt instruments, for which there is no liquid market, and which are issued by one of the following:

1) The European Union.
2) A country within the European Union or a country with which the Union has entered into an agreement for the financial area, including a public authority, an agency, or a special purpose vehicle (SPV) in the member state or the country with which the Union has entered into an agreement for the financial area.
3) An SPV for multiple countries within the European Union or countries with which the Union has entered into an agreement for the financial area.
4) A member of a federal state, in case of a country within the European Union or a country with which the Union has entered into an agreement for the financial area, and which is a federal state.
5) The European Investment Bank.
6) An international financial institution created by two or more member states within the European Union or countries that have an agreement with the Union for the financial area, and the purpose of which is to mobilise capital and provide financial assistance to those of its members that are experiencing or threatened by severe financing problems.

101. An organised trading facility (OTF) and a systematic internaliser shall not be operated within the same legal entity.

(2) An organised trading facility (OTF) shall not connect with a systematic internaliser in a way that enables the orders in an organised trading facility (OTF) and orders or quotes in a systematic internaliser to interact.

(3) An organised trading facility (OTF) shall not connect with another organised trading facility (OTF) in a way that enables orders in the two trading facilities to interact.

102. An operator of an organised trading facility (OTF) may enter into agreement with an investment firm on making quotes in the trading facility if this takes place on an independent basis. The operator shall ensure that agreements in accordance with the first clause are made on an independent basis.

(2) If the investment firm providing quotes is connected to the operator of the organised trading facility (OTF) through close connections, the quotes provided by the trading facility shall not be considered to take place on an independent basis.

103. An operator of an organised trading facility (OTF) shall ensure that the orders executed through the organised trading facility (OTF) are carried out on a discretionary basis, cf. subsection (2).

(2) The discretion which the operator shall exercise according to subsection (1) may only be exercised through a decision to place or retract an order on the trading facility and through a decision not to match a specific client order with other orders available in the systems of the trading facility at any given time if the operator follows the client's specific instructions and fulfils his obligations in accordance with rules established pursuant to section 105.

(3) An operator of an organised trading facility (OTF) may decide whether, when, and how much of two or more orders are to be matched in the system.

(4) An operator of an organised trading facility (OTF) may facilitate negotiations between clients in order to bring together two or more potentially compatible trading interests in a transaction in accordance with sections 98, 99, 101, and 102 and without prejudice to section 100.

(5) Notwithstanding subsections (1)-(4), Part 17 shall apply.

104. When an operator of a regulated market or an investment firm applies for authorisation to operate an organised trading facility (OTF), and at any time thereafter, the Financial Supervisory Authority may require

1) an explanation of why the system does not correspond to and cannot operate as a regulated market, a multilateral trading facility (MTF), or a systematic internaliser;
2) a description of how the discretion under section 103(2) will be exercised; and
3) information on the operator's use of matched principal trading.

105. The Minister of Industry, Business and Financial Affairs shall establish rules concerning assessments of suitability or appropriateness, obligation to execute an order on the most favourable terms to the client, and general rules for the handling of client orders executed through an organised trading facility (OTF).

Part 20

Trade, suspension or deletion of financial instruments

106. An operator of a multilateral trading facility (MTF) or an organised trading facility (OTF) shall command effective arrangements and procedures for regular supervision ensuring that the members or clients of the trading facility comply with the rules of the trading facility.

(2) An operator of a multilateral trading facility (MTF) or an organised trading facility (OTF) shall register the orders which are placed or cancelled and the transactions which the members or clients of the trading facility carry out by applying the trading facility systems with a view to identifying any infringements of the rules of the trading facility, or a conduct that may be in violation of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation), or system errors in connection with a financial instrument.

107. An operator of a multilateral trading facility (MTF) or an organised trading facility (OTF) shall as soon as possible notify the Financial Supervisory Authority if the operator becomes aware of or suspects significant infringements of the rules of the trading facility, conduct that may be in violation of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation), or system errors in connection with a financial instrument.

108. An operator of a multilateral trading facility (MTF) or an organised trading facility (OTF) may suspend or

delete a financial instrument from trading on the trading facility if the instrument no longer complies with the rules of the trading facility. Suspension or deletion may, however, not be executed if it is likely that this will cause considerable damage to the interests of the investors or the orderly functioning of the market.

(2) An operator of a multilateral trading facility (MTF) or an organised trading facility (OTF), who under subsection (1) suspends or deletes a financial instrument, shall also suspend or delete derivatives relating to or based on that instrument when this is necessary to support the objectives of the suspension or deletion.

(3) The operator shall as soon as possible publish decisions taken under subsections (1) and (2) and shall at the latest simultaneously notify the Financial Supervisory Authority of the relevant information upon which the decision was based.

(4) Subsections (1)-(3) shall also apply when the suspension from trading of a financial instrument or a derivative relating to or based on that financial instrument is lifted.

109. Should an operator of a trading venue decide to suspend or delete a financial instrument and derivatives thereof under section 108(1) or (2) due to suspected market abuse, a takeover bid, or non-disclosure of inside information about the issuer or the financial instrument contrary to articles 7 and 17 in Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation), the Financial Supervisory Authority may require that the operators of other trading venues and systematic internalisers likewise suspend or delete the instrument concerned or its derivatives from trading. Suspension may, however, not be carried out if it is likely that this will cause considerable damage to the interests of the investors or the orderly functioning of the market.

(2) Subsection (1) shall also apply to a decision to suspend or delete a financial instrument or its derivatives made by an operator of a trading venue in another country within the European Union or a country with which the Union has entered into an agreement for the financial area.

(3) Subsections (1) and (2) shall likewise apply to decisions on lifting the suspension of trading of a financial instrument or a derivative which relates to or is based on that financial instrument.

Part 21

Growth markets for small and medium-sized enterprises (SME growth markets)

110. Operation of a multilateral trading facility (MTF) as an SME growth market shall not commence until the Financial Supervisory Authority has registered the multilateral trading facility (MTF) as an SME growth market.

(2) The Financial Supervisory Authority registers a multilateral trading facility (MTF) as an SME growth market when the operator of the multilateral trading facility (MTF) meets the requirements in this Part.

(3) An application for registration shall contain the information necessary for the Financial Supervisory Authority to assess whether the applicant meets the requirements in this Part at the time of the registration.

(4) The decision of the Financial Supervisory Authority on the registration shall be announced to the applicant no later than 6 months after the Financial Supervisory Authority received the information necessary to make their decision. The Financial Supervisory Authority shall make a decision, notwithstanding the first clause, no later than 12 months after receipt of the application. Should the Financial Supervisory Authority not have come to a decision within 6 months after receipt of a complete application for authorisation, the applicant may refer the matter to the courts.

111. An operator of a multilateral trading facility (MTF) as an SME growth market shall, in addition to meeting the requirements for multilateral trading facilities (MTFs) pursuant to Parts 17-19, have rules, systems, and procedures which ensure that

1) a minimum of 50 percent of the issuers, whose financial instruments are admitted to trading on the trading facility, are small and medium-sized enterprises that in the previous 3 calendar years had an average market capitalisation of less than EUR 200 million on the basis of the market value at the time when the trading facility was registered as an SME growth market under section 110 and in each subsequent calendar year;
2) appropriate criteria are set for initial and subsequent admission to trading of financial instruments of issuers on the market;
3) after initial admission to trading of financial instruments on the market, there is sufficient information published to enable investors to make an informed judgement about investment in the particular financial instruments, either in the form of an appropriate admission document or a prospectus if the requirements laid down in Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading are applicable in respect of a public offer being made in conjunction with the initial admission to trading of the financial instrument on the multilateral trading facility (MTF);
4) there is appropriate ongoing regular financial reporting by or on behalf of an issuer on the market, including audited annual financial statements;
5) issuers on the market and persons discharging managerial responsibilities in the issuer and persons closely associated with issuers on the market, cf. article 3(1), nos. 21, 25 and 26 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation), comply with relevant requirements applicable to them under the Regulation;
6) regulatory information concerning the issuers on the market is stored and disseminated to the public; and
7) there are effective systems and controls aimed at preventing and detecting market abuse on that market, cf. Regulation (EU) no. 596/2014 of the

European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation).

(2) An operator of a multilateral trading facility (MTF) may introduce requirements supplementing the requirements of subsection (1).

112. The Financial Supervisory Authority may de-register a multilateral trading facility (MTF) as an SME growth market when the operator operating the SME growth market applies for it to be de-registered, or the operator operating the SME growth market no longer meets the requirements of this Part.

113. A financial instrument from an issuer admitted to trading on an SME growth market may only be traded on another SME growth market if the issuer has been informed thereof and has not objected. To the latter SME growth market, the issuer has no obligations with regard to corporate governance nor any initial, ongoing or ad hoc disclosure obligations.

Title VII

Common rules for trading venues

Part 22

System resilience, circuit breakers and electronic trading

114. An operator of a trading venue shall have in place effective systems, procedures and arrangements designed to ensure that the trading systems of the venue

1) are flexible;
2) have sufficient capacity to deal with periods of peak order and message volumes;
3) are able to ensure orderly trading under conditions of extreme market stress;
4) are fully tested; and
5) are subject to effective business continuity arrangements to ensure continuity of its services if there is any unforeseen failure of its trading systems.

115. An operator of a trading venue shall have written agreements with each investment firm pursuing a market making strategy on the trading venue, cf. section 138.

(2) The operator shall also have arrangements whereby a sufficient number of investment firms under the agreements, as mentioned in subsection (1), are obligated to post firm quotes at competitive prices so that liquidity is provided to the trading venue on a regular and predictable basis when such arrangement is appropriate with regard to the nature and scope of the trading on the venue.

(3) A written agreement under subsection (1) shall contain at least the obligations of the investment firm in terms of providing liquidity, any obligations under the arrangement as mentioned in subsection (2), and any incentives, including discounts or other benefits, which the investment firm has received as a consequence of participation in the arrangement mentioned in subsection (2).

(4) The operator shall continuously monitor and ensure that the investment firms with which the operator or the investment firm has entered into agreement under subsection (1) comply with the terms of the agreement.

(5) The operator shall inform the Financial Supervisory Authority of the content of the agreements mentioned in subsection (1).

116. An operator of a trading venue shall have in place systems, procedures, and arrangements ensuring that orders which exceed pre-determined volume and price thresholds or are clearly erroneous are rejected.

117. An operator of a trading venue may temporarily restrict or suspend trading if there is a significant price movement in a financial instrument on that trading venue or a related market during a short period. In exceptional cases, the operator may also correct, vary, or cancel transactions executed in the market.

(2) The operator shall ensure that the parameters for suspending trading are appropriately calibrated in a way which takes into account the liquidity of different asset classes and sub-classes, the nature of the market model and types of users and is sufficient to avoid significant disruptions to the orderliness of trading.

(3) The operator shall in a consistent manner and comparable way report the parameters for suspending trading and any significant changes to these parameters to the Financial Supervisory Authority.

(4) The operator shall have systems and procedures, which ensure that competent authorities of other countries within the European Union or countries with which the Union has entered into an agreement for the financial area are informed of the suspension of trading of a financial instrument under subsection (1) if the trading venue is significant for the liquidity of the financial instrument.

118. An operator of a trading venue shall have in place systems, procedures, and arrangements designed to prevent algorithmic trading systems from creating or contributing to trading conditions in the market which are contrary to the rules of the regulated market or the trading facility, and which ensure that the operator can handle any trading conditions in the market which are contrary to the rules of the regulated market or the trading facility resulting from such algorithmic trading systems.

(2) Systems, procedures, and arrangements as mentioned in subsection (1) shall as a minimum comprise

1) arrangements that ensure and facilitate members in testing algorithms;
2) systems that limit the order flow based on the ratio between numbers of not executed orders and the number of transactions which a member enters into the system and which create a risk that the system will reach its maximum capacity; and
3) systems that limit the minimum price change (tick size), which may be applied on the market and which ensure that the limit is not exceeded.

119. An operator of a trading venue allowing its members to provide direct electronic access to clients of the members shall have systems, procedures, and arrangements which ensure that

1) direct electronic access may only be provided by investment firms and foreign credit institutions authorised in a country within the European Union or in a country with which the Union has entered into an agreement for the financial area;

2) appropriate criteria are applied to the suitability of the persons who may obtain such access; and
3) members providing direct electronic access are responsible for complying with the rules in this Part concerning orders and trades executed through the direct electronic access.

(2) The operator shall have appropriate risk control standards and trading thresholds for direct electronic access. The operator must be able to identify and if necessary stop orders or transactions that are placed or executed by a person using direct electronic access, independently of orders or transactions that are placed or executed by the member or the client who has given the person direct electronic access.

(3) The operator shall have arrangements ensuring that the direct electronic access which a member has provided for its clients can be suspended or interrupted in case of non-compliance with subsections (1) and (2).

120. An operator of a trading venue shall have clear, fair and non-discriminatory rules covering co-location services.

121. An operator of a trading venue shall ensure that its fee structure is clear, reasonable and non-discriminatory. The fee structure shall not cause incentive to place, change, or cancel orders or to execute transactions in a way that contributes to trading conditions which are contrary to the rules of the regulated market or of the trading facility or contributes to market abuse. The operator shall impose market making obligations in individual shares or a suitable basket of shares in exchange for any rebates that are granted.

(2) The operator may adjust its fees for cancelled orders according to the length of time for which the order was maintained and calibrate the fees to each financial instrument to which they apply.

(3) The operator may impose a higher fee for placing an order that is subsequently cancelled than an order which is executed. The operator may impose a higher fee on members placing a high ratio of cancelled orders compared to executed orders. The operator may, furthermore, impose a higher fee on members operating a high-frequency algorithmic trading technique.

122. An operator of a trading venue shall be able to identify, by means of flagging from its members,
1) orders generated by algorithmic trading;
2) the different algorithms used for the creation of orders; and
3) the persons initiating those orders.

(2) The operator shall upon request from the Financial Supervisory Authority grant access to the information under subsection (1).

123. An operator of a trading venue shall upon request allow the Financial Supervisory Authority to supervise the trading in that venue, either by making the data from the order book available to the Financial Supervisory Authority or by giving the Financial Supervisory Authority access to the order book.

124. An operator of a trading venue shall have an arrangement that establishes the minimum price change (tick size) for a share, a depositary receipt, an exchange-traded fund (ETF), a certificate, other similar financial instruments and financial instruments covered by a legislative act adopted by the European Commission under article 49(4) of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.

(2) An arrangement under subsection (1) shall be calibrated to reflect the liquidity profile of the financial instrument in different markets and the average bid-ask spread and ensure that an appropriate tick size is adopted for each financial instrument.

125. An operator of a trading venue and its members shall synchronise the business clocks they use to record the date and time of any reportable event.

Access provisions

126. An operator of a trading venue that has been authorised to operate a trading venue in another country within the European Union or in a country with which the Union has entered into an agreement for the financial area may give remote members or users in this country access to the trading venue.

(2) An operator of a trading venue that intends to let natural or legal persons in another country within the European Union or in a country with which the Union has entered into an agreement for the financial area become remote members or users of the trading venue shall inform the Financial Supervisory Authority accordingly.

127. A foreign operator of a regulated market may obtain the authorisation of the Financial Supervisory Authority to operate a trading venue in this country if
1) the operator is domiciled in another country within the European Union or in a country with which the Union has entered into an agreement for the financial area;
2) the competent authority in the operator's home member state has authorised the operator to operate a regulated market and is supervising the operator in accordance with legislation in the home member state that implements Title III of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments; and
3) the operator satisfies the conditions in section 59(2) and section 86(2).

(2) The requirements for the Financial Supervisory Authority in section 59(5) shall apply to handling of the application.

(3) When a foreign operator of a regulated market has received authorisation under subsection (1), this Act shall apply to the operator and its activities in this country.

Part 23

Trading in commodity derivatives and emission allowances

128. The Financial Supervisory Authority may establish rules for limits on the size of a net position which a person can hold in commodity derivatives traded through trade contracts on trading venues under the supervision of the Financial Supervisory Authority and through

economically equivalent OTC contracts, without prejudice to subsection (2).

(2) In particular cases, the Financial Supervisory Authority may decide on the maximum net position in a commodity derivative which is more restrictive than mentioned in subsection (1) if this is objectively justified and proportionate taking into account the liquidity of the specific market and the orderly functioning of that market. The decision is published on the homepage of the Financial Supervisory Authority.

(3) A decision made in accordance with subsection (2) is valid for a period of maximum 6 months from the date of the publication of the decision by the Financial Supervisory Authority on its homepage. The Financial Supervisory Authority may prolong the validity with additional periods, each of which may not exceed 6 months.

129. In calculating the net position as mentioned in section 128(1) and (2), all positions held personally by a natural or legal person and the positions held on behalf of the person at group level shall be included, cf., however, subsection (2).

(2) The positions held by or on behalf of a non-financial entity, and which objectively may be measured to reduce risks directly connected to the non-financial entity's business activities, shall not be included in the calculation of a person's net position under subsection (1).

130. An operator of a trading venue which trades in commodity derivatives shall apply position management controls. The operator may in this connection

1) supervise a person's open positions;
2) require information and relevant documentation from a natural or legal person on the size and purpose of a position or exposure entered into and information about direct or indirect owners, any concert arrangements, and any related assets or liabilities in the underlying market;
3) require a natural or legal person to terminate or reduce a position, on a temporary or permanent basis;
4) take appropriate action to ensure the termination or reduction of the position if the person does not comply with a notice issued according to no. 3; and
5) require a person to provide liquidity back into the market at an agreed price and volume on a temporary basis.

(2) Rules established under subsection (1) shall

1) be clear and non-discriminatory;
2) specify how they apply to persons;
3) take into account the nature and composition of market participants; and
4) take into account the use that market participants make of the contracts submitted to trading.

(3) The operator shall notify rules established under subsection (1) as well as changes to these to the Financial Supervisory Authority.

131. An operator of a trading venue trading in commodity derivatives or emission allowances or derivatives of these shall categorise every person holding positions in a commodity derivative or emission allowance or derivative thereof, which are traded on that particular trading venue, according to the nature of their main business, taking into account any applicable authorisations as

1) investment firms or credit institutions;
2) undertakings for collective investment or alternative investment fund managers;
3) other financial institutions, including insurance companies and reinsurance companies with authorisation in accordance with Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), and institutions for occupational retirement provision as defined in Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision;
4) commercial undertakings; or
5) operators of CO2 auction platforms according to Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community, in case of emission allowances or derivatives thereof.

Position reporting

132. An operator of a trading venue for commodity derivatives or emission allowances or derivatives thereof shall at least

1) make public a weekly report with the aggregate positions held by the different categories of persons for the different commodity derivatives or emission allowances or derivatives thereof traded on their trading venue, if both the number of traders and their open positions exceed the minimum limit established by the European Commission under article 58(6) in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments; and
2) on a daily basis provide the Financial Supervisory Authority with an overview of the positions held by all persons on that trading venue.

(2) A report under subsection (1), no. 1 shall contain the following information:

1) the number of long and short positions by category of person;
2) changes in the number of long and short positions by category since the last report;
3) the percentage of the aggregate number of open positions represented by each category;
4) the number of persons in each category.

(3) A report under subsection (1), no. 1 and an overview under subsection (1), no. 2 shall distinguish between positions, which objectively can be established to reduce risks directly associated with commercial activities, and other positions.

(4) The operator shall submit reports under subsection (1), no. 1 to the Financial Supervisory Authority and the European Securities and Markets Authority (ESMA).

133. An investment firm shall at least on a daily basis provide the competent authority with an overview of the

positions held by themselves, their clients and the clients of those clients until the end client has been reached, in commodity derivatives, emission allowances, or derivatives thereof, which have been admitted to trading on a trading venue, and which the investment firm trade outside the trading venue, as well as economically equivalent OTC derivatives, cf., however, subsection (3).

(2) The report under subsection (1), no. 1 shall be made in accordance with article 26 of Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and article 8 in Regulation (EU) no. 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency.

(3) The report under subsection (1) shall, when commodity derivatives or emission allowances or derivatives thereof are traded on multiple trading venues, be made to the competent authority for the trading venue with the largest volume of trading.

134. Members of a trading venue shall at least on a daily basis inform the operator of that particular trading venue in detail of positions executed through transactions in commodity derivatives on that particular trading venue by themselves, their clients and the clients of these clients until the end client has been reached.

Title VIII

Investment firms and others

Part 24

Algorithmic trading, etc.

135. An investment firm that engages in algorithmic trading shall

1) have effective systems and risk controls which
   a) ensure that its trading systems are resilient to market disturbance and have sufficient capacity to deal with periods of peak order volumes;
   b) ensure that its trading systems contain appropriate trading thresholds and limits; and
   c) prevent the sending of erroneous orders or that the systems otherwise may create or contribute to a disorderly market;
2) have effective systems and risk controls which ensure that the investment firm's trading systems cannot be used for purposes violating Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation) or the rules for the trading venue to which the investment firm is connected;
3) have effective arrangements ensuring that the investment firm can handle a failure in the trading systems of the investment firm, and ensuring that the systems of the investment firm are thoroughly tested; and
4) submit its trading systems to appropriate supervision ensuring compliance with the requirements of nos. 1-3.

136. An investment firm that engages in algorithmic trading shall inform the Financial Supervisory Authority and the supervisory authority for the trading venue in which the investment firm as a member executes algorithmic trading accordingly.

(2) The Financial Supervisory Authority may require the investment firm to submit, upon request or regularly,

1) a description of the investment firm's strategies for algorithmic trading;
2) information on the trading parameters or limits to which the system is subject;
3) what measures the investment firm has implemented for compliance and risk control ensuring compliance with the conditions of section 135; and
4) information on testing of the investment firm's systems.

(3) The Financial Supervisory Authority may at any time request additional information from the investment firm on the algorithmic trading of the investment firm and the systems used in the algorithmic trading. Provision of information according to the first clause may not be refused on the grounds of confidentiality.

(4) The investment firm shall keep records of the requirements in this provision and ensure that such records are sufficient to enable the Financial Supervisory Authority, on that basis, to monitor compliance with the requirements of this Part.

(5) An investment firm that engages in an algorithmic high-frequency trading technique shall keep accurate and time sequenced records, in an approved form, of all its orders placed including cancellations of orders, executed orders and quotations on trading venues and shall make them available to the Financial Supervisory Authority upon request.

137. An investment firm that engages in algorithmic trading to pursue a market making strategy, and taking into account the liquidity, scale and nature of the specific market and the characteristics of the financial instrument traded, shall

1) carry out this market making continuously during a specified part of the trading venue's trading hours;
2) enter into a binding written agreement with the trading venue, which shall at least specify the obligations of the investment firm in accordance with no. 1; and
3) have effective systems and control measures which ensure that the investment firm fulfils its obligations under the agreement referred to in no. 2 at all times.

(2) Subsection (1), no. 1 shall not apply in extraordinary circumstances.

138. An investment firm engaging in algorithmic trading shall in this Part be considered to be pursuing a market making strategy if, as a member of one or more trading venues, its strategy for dealing on own account 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 so that liquidity is provided to the overall market on a regular and frequent basis.

139. An investment firm shall only provide direct electronic access to a trading venue if the investment firm has effective systems and risk control measures which

1) ensure a correct assessment and review of the suitability of the users;
2) prevent users from exceeding pre-set trading and credit thresholds;
3) properly monitor the transactions of the users; and
4) prevent trading that may create risks to the investment firm itself, could create or contribute to market disturbance, or be contrary to Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation) or to other rules applying to the particular trading venue.

(2) The investment firm shall ensure that the users comply with the requirements of this Act and other rules applying to the particular trading venue.

(3) The investment firm shall register all user transactions in order to be able to identify breaches of the rules referred to in subsection (2), trading conditions contrary to the rules of the trading venue, or conduct that may involve market abuse and which shall be reported to the Financial Supervisory Authority.

(4) The investment firm shall ensure that a binding written agreement exists between the investment firm and each user on the essential rights and obligations when using direct electronic access, and that under the agreement the investment firm retains responsibility in accordance with this Act.

(5) An investment firm offering direct electronic access to a trading venue shall inform the Financial Supervisory Authority and the supervisory authorities of the home member state accordingly.

(6) The Financial Supervisory Authority may require the investment firm to provide, on a regular or ad hoc basis, a description of the systems and control measures referred to in subsection (1) and evidence that those have been applied.

(7) The investment firm shall keep records of the matters covered in subsections (1)-(5) and ensure that those records are sufficient to enable the Financial Supervisory Authority to monitor compliance with the requirements of this Act.

140. An investment firm which acts as a general clearing member for other natural or legal persons shall have in place effective systems and controls to ensure that clearing services are only provided to natural or legal persons who are suitable and meet clear criteria, and that appropriate requirements are imposed on those natural or legal persons to reduce risks to the investment firm and to the market.

(2) The investment firm shall ensure that there is a binding written agreement between the firm and the particular person regarding the essential rights and obligations arising from the clearing service.

Part 25

Registration of systematic internalisation

141. An investment firm shall report to the Financial Supervisory Authority when the undertaking becomes a systematic internaliser for a financial instrument. The report according to the first clause shall include all relevant information on the investment firm for publication on the list which the European Securities and Markets Authority (ESMA) keeps of systematic internalisers within the European Union and in countries with which the Union has entered into an agreement for the financial area.

(2) An investment firm which for a financial instrument intends to be covered by the rules on systematic internalisation shall no later than 1 month prior to the investment firm intending to be covered by the rules on systematic internalisation inform the Financial Supervisory Authority to this effect in the way specified in subsection (1), 2nd clause.

Title IX

Data reporting services providers

Part 26

Authorisation and withdrawal of authorisation

142. Provision of data reporting services as a regular activity or business activity in the form of an approved publication arrangement (APA), a consolidated tape provider (CTP), or an approved reporting mechanism (ARM) shall not be commenced prior to an authorisation from the Financial Supervisory Authority.

(2) Authorisation under subsection (1) is granted when the members of the board of directors and the executive board of the applicant or the owner of a data reporting services provider which is a one-man business meet the requirements of sections 147 and 148, and the applicant meets the requirements in this Part and Parts 27-30.

(3) Application for authorisation as covered in subsection (1) shall contain all information necessary for the assessment of whether the conditions of subsection (2) are met, including an operating plan with information about the nature of the planned services and an overview of the organisational structure.

(4) Authorisation or refusal to grant authorisation shall be notified to the applicant no later than 6 months after the receipt of a complete application. The Financial Supervisory Authority shall, notwithstanding the first clause, make a decision not later than 12 months after receipt of the application. Should the Financial Supervisory Authority not have come to a decision within 6 months after receipt of a complete application for authorisation, the applicant may refer the matter to the courts.

(5) Where a data reporting services provider is run as a legal person without any board of directors or executive board, subsection (2) shall similarly apply to the person or persons discharging managerial responsibilities.

143. An operator of a trading venue may upon prior request to the Financial Supervisory Authority provide data reporting services, regardless of the operator not having an authorisation, cf. section 142, if the Financial Supervisory Authority is satisfied that the operator meets the requirements of Parts 27-30.

144. The Financial Supervisory Authority may withdraw an authorisation under section 142 when

1) the provider expressly waives his use of the authorisation;
2) the provision of data reporting services has not commenced within 12 months after the authorisation was granted;

3) the provision of data reporting services is not being exercised over a period of 6 months;
4) the provider has obtained the authorisation by making false statements or by any other irregular means;
5) the provider no longer meets the conditions upon which the authorisation was granted;
6) the owner of a data reporting services provider which is a one-man business has been charged with infringements of the criminal code, this Act, or other financial legislation, until such time as the criminal case is decided, if the decision implies that the person will not meet the requirements of section 147(1)(3); or
7) the provider is found to be in serious or repeated breach of the obligations under this Act, or rules pursuant to this Act, orders imposed pursuant to Part 37, or obligations according to Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, and rules pursuant thereto.

(2) Withdrawal of an authorisation in accordance with subsection (1), no. 5 based on non-compliance with the requirements in section 147(1), nos. 2-5 or section 148, and withdrawal under subsection (1), no. 6 may be brought before the courts by the owner of a data reporting services provider which is a one-man business. An application to this effect shall be submitted to the Financial Supervisory Authority within 4 weeks after the withdrawal has been announced to the applicant. The Financial Supervisory Authority shall bring the case before the courts within 4 weeks after receipt of the application. The case shall be tried within the civil court system.

Part 27

Requirements to the management of data reporting services providers

145. The board of directors of a data reporting services provider shall ensure effective and prudent management of the provider. The board of directors shall evaluate whether the executive board performs its duties adequately and in accordance with the obligations of the provider under section 149.

(2) Where a data reporting services provider is operated as a legal person without a board of directors, subsection (1) shall apply similarly to the supreme management body.

(3) Where a data reporting services provider is run as a one-man business, the owner shall ensure effective and prudent management of the provider.

146. The board of directors of a data reporting services provider shall ensure that its members possess sufficient collective knowledge, technical competence, and experience to be able to understand the activities of the provider, and thus the associated risks.

(2) Where a data reporting services provider is operated as a legal person without a board of directors, subsection (1) shall apply similarly to the supreme management body.

(3) Subsection (1) shall not apply to data reporting services providers that are one-man businesses.

147. A member of the board of directors or the executive board of a data reporting services provider or the owner of a data reporting services provider which is a one-man business

1) shall have sufficient knowledge, technical competence, and experience to perform his functions or position;
2) shall have a sufficiently good reputation and shall act with honesty, integrity, and sufficient independence in the performance of his functions or position;
3) may not be held criminally liable for infringement of the criminal code, financial legislation, or any other relevant legislation if such infringement carries any risk that the person would not be able to perform his functions or position properly;
4) may not have filed for restructuring proceedings, bankruptcy, or rescheduling of debt; and
5) may not have demonstrated such behaviour that it may be assumed the person is not able to perform his functions or position properly.

(2) A member of the board of directors or the executive board of a data reporting services provider shall inform the Financial Supervisory Authority of any circumstances mentioned in subsection (1) in connection with entry into the company's management and of circumstances mentioned in subsection (1), nos. 2-5 if those circumstances subsequently change. A data reporting services provider which is a one-man business shall inform the Financial Supervisory Authority of any circumstances mentioned in subsection (1) in connection with an application for authorisation, cf. section 142, and of circumstances as covered in subsection (1), nos. 2-5), if those circumstances subsequently change.

(3) A member of the board of directors or the executive board of an operator of a regulated market applying for authorisation to provide data reporting services as an approved publication arrangement (APA), a consolidated tape provider (CTP), or an approved reporting mechanism (ARM), and who is also a member of the management of the data reporting services provider for which authorisation has been applied, is considered to meet subsection (1).

(4) Where a data reporting services provider is run as a legal person without any board of directors or executive board, subsections (1)-(3) shall apply similarly to the person or persons discharging managerial responsibilities.

148. A member of the board of directors or the executive board of a data reporting services provider or the owner of a data reporting services provider which is a one-man business shall allocate sufficient time to perform his functions or position in the provider concerned.

(2) Where a data reporting services provider is run as a legal person without any board of directors or executive board, subsection (1) shall apply similarly to the person or persons discharging managerial responsibilities.

149. A data reporting services provider shall have arrangements that prevent conflicts of interest with the clients of the provider.

(2) A data reporting services provider shall treat all collected information in a non-discriminatory way and have in place arrangements ensuring separation of its various business functions.

Part 28

Specific rules on approved publication arrangements (APAs)

150. An approved publication arrangement (APA) shall have in place policies and arrangements which ensure that the information, which is to be made public in accordance with article 20(1) and article 21(1) of Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, is made available to the public as close to real time as is technically possible, on reasonable commercial terms.

(2) An approved publication arrangement (APA) shall no later than 15 minutes after publication make the information, which is to be made public in accordance with article 20(1) and article 21(1) of Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, available free of charge.

(3) An approved publication arrangement (APA) shall be able to disseminate information that should be made public in accordance with article 20(1) and article 21(1) of Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, in an effective and consistent manner, which ensures fast access to information on a non-discriminatory basis and in a format which facilitates the consolidation of the information with similar data from other sources.

151. The information that is to be made available to the public by an approved publication arrangement (APA) in accordance with article 20(1) and article 21(1) of Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments shall as a minimum contain

1) identification of the financial instrument;
2) finalisation price;
3) volume of transaction;
4) time of transaction;
5) time of reporting;
6) price quotation;
7) identification of the execution venue in the form of
   a) the relevant trading venue code if the transaction was executed via a trading venue;
   b) the code "SI" if the transaction was executed via a systematic internaliser; or
   c) the code "OTC" if the transaction was executed outside a trading venue or a systematic internaliser; and
8) any special conditions for the transaction.

152. An approved publication arrangement (APA) shall have sound security mechanisms in place designed to guarantee the security of the transfer of information, minimise the risk of data corruption and unauthorised access, and prevent leakage of information prior to its publication.

(2) An approved publication arrangement (APA) shall have at its disposal adequate resources and facilities ensuring that the publication arrangement can at all times provide and maintain its services.

153. An approved publication arrangement (APA) shall have systems in place which can check trade reports for completeness, identify omissions and obvious errors and request re-transmission of any such erroneous report.

Part 29

Specific rules on consolidated tape providers (CTPs)

154. A consolidated tape provider (CTP) shall have in place policies and arrangements ensuring that the information which is to be made public in accordance with article 6(1) and article 20(1) of Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments is collected, consolidated in a continuous electronic live data stream, and made available to the public as close to real time as is technically possible, on reasonable commercial terms.

(2) A consolidated tape provider (CTP) shall, no later than 15 minutes after publication, make the information which is to be made public in accordance with article 6(1) and article 20(1) of Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments available free of charge.

(3) A consolidated tape provider (CTP) shall disseminate information that is to be made public in accordance with article 6(1) and article 20(1) of Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments in an effective and consistent manner, which ensures fast access to information on a non-discriminatory basis and in a commonly accepted format which is interoperable, easily accessible and usable for market participants.

155. The information that is to be made available to the public by a consolidated tape provider (CTP) in accordance with article 6(1) and article 20(1) of Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments shall as a minimum contain

1) identification of the financial instrument;
2) finalisation price;
3) volume of transaction;
4) time of transaction;
5) time of reporting;
6) price quotation;
7) identification of the execution venue in the form of
   a) the relevant trading venue code if the transaction was executed via a trading venue;
   b) the code "SI" if the transaction was executed via a systematic internaliser; or
   c) the code "OTC" if the transaction was executed outside a trading venue or a systematic internaliser;
8) an indication that a computer algorithm at the investment firm was responsible for the investment decision and the execution of the transaction, where relevant;
9) any special conditions for the transaction;

10) an indication of any exemptions from the obligation to publish information given under article 4(1)(a) or (b) in Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments which apply to the transaction.

156. A consolidated tape provider (CTP) shall have in place policies and arrangements ensuring that the information which is to be made public in accordance with article 10(1) and article 21(1) of Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments is collected, consolidated in a continuous electronic live data stream, and made available to the public as close to real time as is technically possible, on reasonable commercial terms.

(2) A consolidated tape provider (CTP) shall no later than 15 minutes after publication make information which is to be made public in accordance with article 10(1) and article 21(1) of Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments available free of charge.

(3) A consolidated tape provider (CTP) shall disseminate information that is to be made public in accordance with article 10(1) and article 21(1) of Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments in an effective and consistent manner which ensures fast access to information on a non-discriminatory basis and in a commonly accepted format which is interoperable, easily accessible and usable for market participants.

157. The information that is to be made available to the public by a consolidated tape provider (CTP) in accordance with article 10(1) and article 21(1) of Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments shall as a minimum contain

1) identification of the financial instrument or indication of identifying features;
2) finalisation price;
3) volume of transaction;
4) time of transaction;
5) time of reporting;
6) price quotation;
7) identification of the execution venue in the form of
   a) the relevant trading venue code if the transaction was executed via a trading venue;
   b) the code "SI" if the transaction was executed via a systematic internaliser; or
   c) the code "OTC" if the transaction was executed outside a trading venue or a systematic internaliser; and
8) any special conditions for the transaction.

158. A consolidated tape provider (CTP) shall ensure that the data provided is consolidated based on information from all relevant trading venues and approved publication arrangements (APAs) and for all relevant financial instruments.

159. A consolidated tape provider (CTP) shall have sound security mechanisms in place designed to guarantee the security of the transfer of information, minimise the risk of data corruption and unauthorised access.

(2) A consolidated tape provider (CTP) shall have at its disposal adequate resources and facilities ensuring that the provider can at all times provide and maintain its services.

Part 30

Specific rules on approved reporting mechanisms (ARMs)

160. An approved reporting mechanism (ARM) shall have in place policies and arrangements ensuring that the information which is to be made public in accordance with article 26 of Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments is reported as fast as possible and no later than at the end of the business day following the transaction.

(2) An approved reporting mechanism (ARM) shall report the information mentioned in subsection (1) in accordance with the requirements of article 26 in Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.

161. An approved reporting mechanism (ARM) shall have sound security mechanisms in place designed to guarantee the security and authenticity of the transfer of information, minimise the risk of data corruption and unauthorised access, and to prevent leakage of information.

(2) An approved reporting mechanism (ARM) shall have at its disposal adequate resources and facilities to provide and maintain its services.

162. An approved reporting mechanism (ARM) shall have systems in place which can check that transaction reports in accordance with article 26 of Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, are complete, identify omissions and obvious errors, inform the investment firm more specifically of errors or omissions in transaction reports, and request re-transmission of any such erroneous report.

(2) An approved reporting mechanism (ARM) shall have systems in place enabling the reporting mechanism to detect errors or omissions caused by the reporting mechanism itself and enabling the reporting mechanism to correct transaction reports and transmit or re-transmit correct and complete transaction reports to the Financial Supervisory Authority.

Title X

Netting, connection to a Central Securities Depository (CSD), registration, financial collateral arrangement, and close-out netting

Part 31

Settlement finality and netting in securities settlement systems and payment systems etc.

163. An agreement made between participants and a securities settlement system, a registered payment system,

interoperable systems or Danmarks Nationalbank may, effective on the estate and the creditors, contain a provision on netting and on whether incoming transfer orders shall be netted, cleared, and settled, or be transferred back, should one of the parties be declared bankrupt or undergo reconstruction proceedings, and on the condition that the transfer orders have been entered into the system before the opening of insolvency proceedings or the commencement of reconstruction proceedings.

(2) An agreement mentioned in subsection (1) may include transfer orders which have not been entered into the securities settlement systems, the registered payment system, an interoperable system or Danmarks Nationalbank until the time of opening of insolvency proceedings or the commencement of reconstruction proceedings if the system operator, the securities settlement system, the registered payment system, the interoperable system or Danmarks Nationalbank, at the time when the claim became irrevocable, cf. section 166, neither was nor should have been aware of the bankruptcy or reconstruction proceedings.

(3) If a transfer order has entered the system on the day of the opening of insolvency proceedings or the commencement of reconstruction proceedings, but after the expiration of the day the insolvency or reconstruction proceedings were publicly announced in the Danish Gazette, it falls upon the operator of a securities settlement system, a payment system or an interoperable system to substantiate that the operator neither was nor should have been aware of the insolvency or reconstruction proceedings.

(4) An agreement under subsection (1) shall, in order to have legal effect on the estate and the creditors, be submitted to the Financial Supervisory Authority prior to the insolvency or reconstruction proceedings. If the agreement concerns a registered payment system under Part 32, the agreement shall, in order to have legal effect on the estate and the creditors, be submitted to Danmarks Nationalbank prior to the insolvency or reconstruction proceedings.

164. Agreements with foreign securities settlement systems and payment systems which are registered with the European Securities and Markets Authority (ESMA) have the same legal effect as agreements under section 163(1).

(2) The Financial Supervisory Authority may approve that an agreement which is not covered by subsection (1)and which has been entered into with securities settlement systems and payment systems or comparable foreign undertakings operating a securities settlement system or payment system in countries outside the European Union with which the Union has not entered into an agreement for the financial area, shall have legal effect in accordance with section 163(1).

165. An agreement under sections 163 and 164 shall include objective conditions for the instances in which concluded, but still outstanding transfer orders are honoured in accordance with the agreement or are reversed.

166. A securities settlement system, a registered payment system, or a comparable undertaking operated by Danmarks Nationalbank shall have established rules on the time when a transfer order is considered to be entered into the system and the time when a transfer order entered into the system can no longer be revoked by a participant in the system or a third party.

(2) A transfer order may not be revoked by a participant in a system, nor by a third party, from the moment defined by the rules of that system, cf. subsection (1).

(3) Where a securities settlement system, a registered payment system, or Danmarks Nationalbank enters into an agreement of mutual interoperability or with interoperable systems or operators of such, the parties shall to the greatest extent possible ensure that the interoperable system rules are coordinated with regard to circumstances under subsection (1).

(4) Each of the interoperable system rules, cf. subsection (1), shall not be affected by other interoperable system rules, unless this has been specifically established in each of the interoperable system rules.

167. Transactions, whereby collateral is provided to a securities settlement system, a registered payment system, an interoperable system, Danmarks Nationalbank, or members of such systems, may not be reversed under section 70(1) or section 72(2) of the Bankruptcy Act.

(2) Reversal under subsection (1) is possible if the collateral has not been provided without undue delay after the required collateral could be invoked in accordance with the agreement between a participant and a securities settlement system, a registered payment system, an interoperable system, Danmarks Nationalbank, or members of such systems, or the collateral is provided under such circumstances as would not appear ordinary.

(3) The collateral provided by an operator of a securities settlement system or a payment system to another operator of a comparable system in connection with an interoperable system cannot be subject to legal proceedings by the creditors of the system operators receiving the collateral.

168. Where the collateral provided under section 167(1) consists of financial instruments or an account balance, the collateral may be immediately realised if a prior agreement has been made to this effect, and, prior to the realisation, the participant has not met his obligations to Danmarks Nationalbank, a securities settlement system, or a registered payment system or to the participants in such systems.

169. Similarly, sections 167 and 168 shall apply to collateral provided in connection with securities settlement systems and payment systems that are registered with the European Securities and Markets Authority (ESMA) under article 10(1) of Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems, if the collateral is provided in accordance with the rules of the securities settlement system or the payment system. The same shall apply to collateral provided to central banks in their capacity as central banks in other countries within the European Union or countries that have entered into an agreement with the Union for the financial area.

(2) The Financial Supervisory Authority may approve agreements on collateral arrangements which are not covered by subsection (1) and which have been entered into with foreign securities settlement systems or payment systems or comparable foreign undertakings that clear, settle, or operate a payment system in countries outside the European Union with which the Union has not entered into an agreement for the financial area, to the effect that the collateral in accordance with such agreement shall be covered by sections 167 and 168.

170. Positions which a clearing member takes on behalf of its clients with a central counterparty (CCP), and assets belonging to the clearing member which the clearing member has transferred to a central counterparty (CCP) as collateral for the clients' positions cannot be made subject to legal proceedings by the clearing member's creditors.

(2) The client's rights to positions and assets mentioned in subsection (1) cannot be annulled according to the rules of the Bankruptcy Act if the position or collateral appeared ordinary.

(3) Subsections (1) and (2) shall also apply to clients of clients of a clearing member.

171. The Financial Supervisory Authority shall report the securities settlement systems and registered payment systems or comparable undertakings run by Danmarks Nationalbank with which agreements may be entered into with legal effect in accordance with sections 163, 167, and 168, to the European Securities and Markets Authority (ESMA).

(2) The Financial Supervisory Authority shall publish which securities settlement systems and registered payment systems or comparable undertakings run by Danmarks Nationalbank the Authority has reported to the European Securities and Markets Authority (ESMA) under subsection (1).

172. If the bankruptcy court issues a declaration of insolvency or initiates reconstruction proceedings for a participant in a securities settlement system or a payment system, which the Financial Supervisory Authority has reported to the European Securities and Markets Authority (ESMA), the bankruptcy court shall immediately inform the Financial Supervisory Authority accordingly.

(2) The Financial Supervisory Authority shall disclose the information to the European Systemic Risk Board, the European Securities and Markets Authority (ESMA), and the competent authorities in the other countries within the European Union or countries with which the Union has entered into an agreement for the financial area.

173. An operator of a securities settlement system shall inform the Financial Supervisory Authority about the direct and indirect participants of the system, and any changes herein.

174. If a participant in a securities settlement system or a registered payment system or comparable undertaking run by Danmarks Nationalbank is declared bankrupt or taken under reconstruction proceedings, or any other form of insolvency proceedings, as defined in article 2(j) of Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems, the rights and obligations deriving from or connected with participation in the system shall be established according to the legislation applying to the system.

(2) If a Danish participant in a foreign securities settlement system or a payment system registered with the European Securities and Markets Authority (ESMA) pursuant to article 10(1) of Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems, is declared bankrupt or taken under reconstruction proceedings, or any other form of insolvency proceedings, as defined in article 2(j) of Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems, the rights and obligations deriving from or connected with participation in the system shall be established under the legislation applying to the system, cf. section 164(1) and section 169(1).

(3) If a Danish participant in a foreign securities settlement system or a payment system, which is not covered by subsection (2), and which is domiciled in a country outside the European Union with which the Union has not entered into an agreement for the financial area, is declared bankrupt or taken under reconstruction proceedings, or any other form of insolvency proceedings, the rights and obligations deriving from or connected with participation in the system which are not covered by an approval pursuant to section 164(2) or section 169(2), shall be established according to the legislation applying to the system if the Financial Supervisory Authority has approved the agreement between the participant and the system.

175. The following entities shall have access to clear and settle transactions on behalf of a third party:

1) Investment firms.
2) Credit institutions and investment firms that have been granted authorisation in another country within the European Union or in a country with which the Union has entered into an agreement for the financial area and which do not trade in securities through a branch or provide services in this country, cf. sections 30 and 31 of the Financial Business Act.
3) Investment management firms.
4) Alternative investment fund managers.
5) Danmarks Nationalbank.
6) Central banks in a country within the European Union or countries with which the Union has entered into an agreement for the financial area.
7) The Agency for Modernisation - Ministry of Finance.

Part 32

Registered payment systems

176. Participants in a registered payment system shall be one of the following:

1) Credit institutions.
2) Investment firms.
3) Public authorities.
4) Indirect participants, cf. section 3, no. 28.

5) Legal persons, who according to the assessment of the Financial Supervisory Authority have significant importance to the settlement of payments.

177. A payment system, governed by Danish law, and where at least one participant is headquartered in Denmark, may be registered by the Financial Supervisory Authority. The consequence of this registration is that netting agreements and agreements on providing collateral in cases of settlement of payments will have legal effect pursuant to section 163(1), cf., however, section 163(4), and sections 167 and 168.

(2) The Financial Supervisory Authority may require registration under subsection (1) of payment systems, where significant considerations for the settlement of payments or societal concerns support this.

178. Registration of a payment system is contingent upon the rules and connection agreements applying to the system and the participants including provisions on:

1) the system being regulated by Danish law;
2) who may be direct participants in the system;
3) who may be indirect participants in the system;
4) the conditions on which participants may represent indirect participants;
5) whether clearing is effected through netting for each transaction individually or by a combination;
6) what requirements the system places on collaterals and on collateral arrangements in order to secure the settlement in the system;
7) the requirements listed in section 166 to the system rules on netting and transfer orders; and
8) terms of any agreements which the system has entered into with a settlement agent or a clearing house.

(2) The Financial Supervisory Authority may order a registered payment system to modify rules and connection agreements under subsection (1).

179. A registered payment system shall inform the Financial Supervisory Authority about the direct and indirect participants of the system, and any changes herein.

180. Powers pursuant to sections 176-179 are exercised by Danmarks Nationalbank in case of a registered payment system under the supervision of Danmarks Nationalbank, cf. section 212(3).

Part 33

Risk hedging

181. Where a central securities depository (CSD) or a participant in a central securities depository (CSD) provides loans to a participant or an indirect participant in the system in connection with the settlement of securities transactions or payments in the central securities depository (CSD), it may be agreed beforehand with the borrower that the investment securities belonging to the borrower that are kept in one or more of the custody accounts with the central securities depository (CSD) designated by the borrower may serve as collateral for the loan repayment.

(2) Where a registered payment system or a participant in a registered payment system provides loans to a participant or an indirect participant in the system in connection with the settlement of payments in the system, it may be agreed beforehand with the borrower that the investment securities belonging to the borrower that are keep in one or more of the custody accounts with a central securities depository (CSD) designated by the borrower may serve as collateral for the loan repayment.

(3) Where a central securities depository (CSD) or a payment system which is operated by Danmarks Nationalbank provides loans to a participant or an indirect participant in the system in connection with the settlement of payments in the system, it may be agreed beforehand with the borrower that the investment securities belonging to the borrower that are kept in one or more of the custody accounts with a central securities depository (CSD) designated by the borrower may serve as collateral for the loan repayment. This shall also apply where the security is provided to Danmarks Nationalbank as security for credit, which must be repaid at the end of the monetary policy day of Danmarks Nationalbank.

(4) Subsection (3) shall apply mutatis mutandis to loans between participants and loans between participants and indirect participants in a central securities depository (CSD) or a payment system operated by Danmarks Nationalbank.

(5) Subsection (3) shall apply mutatis mutandis to a central securities depository (CSD) or a payment system that is registered with the European Securities and Markets Authority (ESMA), cf. section 171, and which settles payments through accounts with Danmarks Nationalbank. It is a condition that the agreement on provision of collateral is governed by Danish law.

182. Where loans are provided in connection with settlement of securities transactions and payments in systems where the lending is not covered by section 181, the Financial Supervisory Authority may approve that it is agreed beforehand with the borrower that the investment securities belonging to the borrower that are kept in one or more of the custody accounts with a central securities depository (CSD) designated by the borrower may serve as collateral for the loan repayment. It is a condition for the approval by the Financial Supervisory Authority that the agreement on provision of collateral is governed by Danish law.

(2) Where an agreement, as mentioned in section 181 and subsection (1), is registered with a central securities depository (CSD), and loans are provided for settlements, the investment securities concerned may be provided as collateral for the central securities depository (CSD) with a view to registration in connection with the settlement, cf. section 181 and subsection (1). Only through such registration, protection against legal proceedings and the assignees shall be achieved according to the rules in Part 34.

(3) Where a central securities depository (CSD) or a participant in a central securities depository (CSD) has paid for another person's acquisition of investment securities, settled through a central securities depository (CSD), security may be registered in the central securities depository (CSD) as collateral for the payer's claims against the purchaser in the part of the purchased investment securities which at the same time is registered

in the account of the purchaser in the central securities depository (CSD), and which under the agreement with the payer are not reassigned through further sales settled at the same time as the acquisition. Through registration of the collateral, protection is obtained against legal proceedings and assignees acting in good faith according to the rules in Part 34.

(4) The Minister of Industry, Business and Financial Affairs shall establish rules concerning the time limits within which a lender shall publicly maintain the registered collateral mentioned in subsections (1)-(3). Registration of the collateral shall be deleted without notice if the right to it is not claimed before expiration of the time limit. A central securities depository (CSD) may in particular cases defer the time limit set.

183. Investment securities, in which collateral has been registered pursuant to section 182(2) or (3), may upon prior agreement to this effect, or if the transaction is concluded between an investment firm, an investment management firm or an alternative investment fund manager and an investment firm, an investment management firm, an alternative investment fund manager, an institutional investor or comparable professional investor, immediately be realised upon expiration of a time limit set by the Minister of Industry, Business and Financial Affairs, pursuant to section 182(4), if the borrower has failed to fulfil his obligations before that. The time limit may be dispensed with if agreed between the parties, if the collateral is registered under section 182(2) or (3).

(2) Financial instruments provided as collateral to a central securities depository (CSD) or a participant in a central securities depository (CSD) in order to comply with central securities depository (CSD) rules on provision of security may be realised immediately if prior agreement has been made to this effect, and there is a breach of central securities depository (CSD) rules on provision of security.

Part 34

Registration of rights to investment securities with a central securities depository (CSD)

184. The rights to investment securities shall be registered with a central securities depository (CSD) to obtain protection against agreements entered into in respect of the investment securities and against legal proceedings.

(2) An agreement or legal proceedings which may supersede an unregistered right shall itself be registered, and the purchaser according to the agreement shall be in good faith when registering the right with the institution holding the account.

(3) The legal effect of the registration is reckoned from the time of the final registration with the central securities depository (CSD).

(4) Where the central securities depository (CSD) has outsourced all or parts of the settlement to a public entity, cf. article 30(5) of Regulation (EU) no. 909/2014 of 23 July 2014 of the European Parliament and of the Council on improving securities settlement in the European Union and on Central Securities Depositories, the time of legal effect is reckoned from the time of registration with the entity to which it is outsourced.

(5) An account-holding institution shall immediately report notifications received for registration with a central securities depository (CSD).

(6) The Minister of Industry, Business and Financial Affairs may establish rules on:

1) The basis and procedure of registration.
2) Registration of limited rights over investment securities.
3) Announcements of registration.
4) Preparation of account statements.
5) Content of the account statement

185. An account-holding institution shall submit a report for preliminary registration if the account-holding institution has any doubts about factual or legal circumstances of importance to the registration, or if someone states to the account-holding institution that the intended registration will be an infringement of their rights. The central securities depository (CSD) shall decide how the final registration may take place.

186. When the registration of an agreement on rights to investment securities is concluded with a central securities depository (CSD), a purchaser in good faith according to the registered agreement cannot be challenged as to the validity of the agreement. The challenge that a document is false or forged, that its issuance is illegally coerced by personal violence or immediate threat of such, or that the issuer was not of legal age at the issuance shall remain in force towards a purchaser in good faith according to the registered agreement.

187. Final registration with a central securities depository (CSD) is, notwithstanding section 15 of the Instruments of Debt Act, the relevant act of perfection for investment securities which correspond to promissory notes.

188. The title to investment securities may by the seller, when this is an account-holding institution, be made contingent upon payment of the purchase price within a set time limit. The payment condition no longer applies if the seller does not make his claim prior to the expiry of the time limit.

(2) Where the account holder keeps the account on behalf of one or more owners, this shall be registered on the account.

(3) The Minister of Industry, Business and Financial Affairs shall establish rules concerning the time limit covered in subsection (1).

189. A central securities depository (CSD) may delete the registration of rights that have clearly expired.

(2) Where an account at a central securities depository (CSD) has registered rights which must be assumed to have lost their validity, or rights that are more than 20 years old and which have probably expired, or to which in all likelihood there is no holder, the central securities depository (CSD) concerned may convene possible holders of such rights. Convening is made through announcement in the Danish Gazette with a 3-month notice. Additionally, the person or persons registered as holders shall be notified separately. If no one comes forward before the expiry of the time limit, the central

securities depository (CSD) shall cancel the registration of the rights.

(3) The Minister of Industry, Business and Financial Affairs may establish rules concerning the implementation of subsection (2).

Part 35

Participation agreement with a central securities depository (CSD)

Participation as an account-holding institution

190. The following entities may participate in a central securities depository (CSD) as an account-holding institution:

1) Financial undertakings authorised as a financial institution or an investment firm.
2) Financial undertakings authorised as a mortgage credit institution, in so far as these undertakings are authorised under section 9(1) of the Financial Business Act, Investment Management Firms and Alternative Investment Fund Managers.
3) Undertakings jointly managed by financial undertakings, cf. nos. 1 and 2, whose objective is to manage financial instruments.
4) Investment firms and credit institutions which have obtained authorisation in another country within the European Union or a country with which the Union has entered into an agreement for the financial area.
5) The Agency for Modernisation - Ministry of Finance.
6) Central securities depositories (CSDs).
7) Central counterparties (CCPs).
8) Danmarks Nationalbank.
9) Central banks in another country within the European Union or a country with which the Union has entered into an agreement for the financial area.

(2) A central securities depository (CSD) may report transactions for registration with the central securities depository (CSD) in question.

191. A management company with authorisation in another country within the European Union or a country with which the Union has entered into an agreement for the financial area which trades in securities in this country through a branch, cf. section 30 of the Financial Business Act, or which performs services, cf. section 31 of the Financial Business Act, may report transactions for registration with the central securities depository (CSD) in question.

(2) Credit institutions and investment firms with authorisation in a country outside the European Union with which the Union has not entered into an agreement for the financial area which trade in securities in this country through a branch, cf. section 1(3) of the Financial Business Act, or which perform services, cf. section 33 of the Financial Business Act, may report transactions for registration with a central securities depository (CSD).

(3) Credit institutions and investment firms covered by subsection (2) which do not trade in securities in this country through a branch or by performing services may, upon obtaining authorisation from the Financial Supervisory Authority, enter into a participation agreement with a central securities depository (CSD).

192. Account-holding institutions shall enter into a participation agreement with a central securities depository (CSD) as a condition for obtaining access to report transactions for registration with the central securities depository (CSD) concerned.

(2) A participation agreement under subsection (1) shall establish that the account-holding institution is obliged to comply with articles 29 and 36 and article 37(3) of Regulation (EU) no. 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving the securities settlement in the European Union and on Central Securities Depositories

193. A participation agreement, cf. section 192, shall terminate immediately in case an account-holding institution is declared bankrupt or enters into restructuring proceedings, etc.

(2) Should a participation agreement be terminated, the central securities depository (CSD) shall take over the reporting of transactions for registration in the accounts concerned for a period of maximum 4 months, whereupon the registrations concerned shall be transferred to an account with another account-holding institution.

194. The Financial Supervisory Authority may decide that an account-holding institution, which is covered by section 190(1), nos 1-6 or section 191, may not report registrations with a central securities depository (CSD) if the account-holding institution is found to be in serious breach of its obligations or orders issued pursuant to this Act.

Participation as a public fund, an insurance company, or a pension fund

195. A public fund, an insurance company, or a pension fund shall have direct access to obtain information on own accounts directly from a central securities depository (CSD), to transfer notifications of sales through the central securities depository (CSD) to the account-holding institutions, and to report transactions for registration in own accounts directly to a central securities depository (CSD).

(2) A public fund, an insurance company, or a pension fund shall enter into a participation agreement with a central securities depository (CSD) in order to obtain access to the central securities depository (CSD), cf. subsection (1).

Part 36

Financial collateral arrangements and close-out netting agreements

196. The following entities may be parties to financial collateral arrangements:

1) A public authority, except publicly guaranteed undertakings, unless they fall under nos. 2-6, including:
   a) Public authorities in countries within the European Union or countries with which the Union has entered into an agreement for the financial area which are responsible for or involved in the management of public debt.

b) Public authorities in countries within the European Union or countries with which the Union has entered into an agreement for the financial area which are authorised to hold accounts for clients.

2) A central bank, the European Central Bank, the Bank for International Settlements, a multilateral development bank, the International Monetary Fund, and the European Investment Bank.

3) A financial institution subject to supervision, including:
   a) A credit institution as defined in article 3(1), no. 1 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.
   b) An investment firm as defined in article 4(1), no. 1 of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.
   c) A financial institution as defined in article 4(1), no. 26 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.
   d) An insurance undertaking as defined in article 1(a) of Council Directive 92/49/EEC of 18 June 1992 on the coordination of laws, regulations and administrative provisions relating to direct insurance other than life assurance and an insurance undertaking as defined in article 1(a) of Directive 2002/83/EC of the European Parliament and of the Council of 5 November 2002 on life assurance.
   e) UCITS with authorisation under article 5 of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on coordination of laws and administrative provisions relating to undertakings for collective investment in transferable securities (investment undertakings).
   f) An investment management firm.
   g) An alternative investment fund manager.

4) A central counterparty (CCP), a settlement agent, or a clearing house as defined in article 2(c-e) of Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems, or similar institutions regulated by national law which are trading on the market for futures, options, and derivative financial instruments, in so far as they are not covered by said Directive.

5) A legal person acting in the capacity of trustee or representative on behalf of one or more persons, including any bondholders or holders of other forms of securitised debt or any authority or undertaking as defined in nos. 1-4.

6) A legal person not covered by nos. 1-5, including non-registered undertakings or partnerships as well as one-man businesses.

(2) Retail clients as defined in article 4(1), no. 11 of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments may not be a party to financial collateral arrangements in the form of title transfer.

197. Collateral under financial collateral arrangements may only constitute money credited to an account and financial instruments covered by section 4(1), nos 1-3, cf., however, section 197(2) and (3).

(2) When both parties to a financial collateral arrangement are covered by section 196(1), nos. 1-5, the financial collateral may additionally consist of credit claims.

(3) Deposits which cannot become the subject of legal proceedings shall neither be used as collateral under a financial collateral arrangement or become subject to close-out netting.

198. To be covered by the rules in this Part, a financial collateral arrangement shall be made in writing or in a legally equivalent manner.

(2) It must be clear from the financial collateral arrangement, which of the parties' or third party's existing or future, actual, conditional, or potential financial obligations the arrangement covers.

199. When financial collateral arrangements take the form of credit claims, the collateral taker shall receive from the provider of collateral a list of the aggregate credit claims covered by the collateral arrangement. The list shall be forwarded in writing or in a legally equivalent manner.

(2) The receipt of a list by the collateral taker, as covered in subsection (1) is, notwithstanding section 31 of the Instruments of Debt Act, the relevant act of perfection for financial collateral arrangements in the form of credit claims. If the collateral provider has transferred credit claims to more assignees, the collateral taker must be in good faith toward other assignees at the time of receiving the list.

(3) If the collateral provider and the collateral taker are related, cf. section 2, nos 2-4 of the Bankruptcy Act, subsection (2) shall not apply. If the collateral taker becomes related to the collateral provider, subsection (2) shall not apply for collateral provided after this point in time.

200. In connection with using credit claims as financial collateral, the debtor may in writing or in a legally equivalent manner waive his confidentiality requirement under section 117(1) of the Financial Business Act to the extent necessary to make the provision of collateral effective.

(2) If the debtor under the credit claim, which is used as financial collateral, waives his access to set-off against the obligations covered by the financial collateral arrangement, or which for some other reason may be used for set-off, this shall be in writing or in a legally equivalent manner.

201. Realisation or valuation of financial collateral or credit claims which are offset or appropriated shall take place on commercially reasonable terms.

202. If the collateral provider agrees with the collateral taker to substitute one collateral for another collateral, and this takes place no later than at the same time as the substituted collateral was made available to the collateral provider, a reversal of the substituted collateral may only take place if the collateral originally provided was reversible.

(2) Collateral provided for changes to the value of collateral or claims arising after the conclusion of the arrangement which are due to market-related circumstances may not be reversed under section 70 or 72 of the Bankruptcy Act if the collateral provided was provided without undue delay after the claim for collateral could be made. Reversal under the conditions covered in section 72 of the Bankruptcy Act may, however, take place if the provision of collateral did not appear as ordinary.

203. A financial collateral arrangement may contain a provision to the effect that the collateral taker may realise the collateral immediately after an enforcement event occurs. Immediate realisation may, based on the terms of the arrangement, be effected

1) without prior approval from the public authorities or others;
2) without prior notice to the collateral provider; and
3) without following any particular procedure.

(2) For title transfer financial collateral arrangements, realisation takes place through the value of the collateral being offset against the secured obligations.

(3) For financial collateral arrangements in the form of money credited to an account, realisation takes place through the value of the collateral being set off against or used to pay the secured obligations.

(4) For security financial collateral arrangements, realisation takes place through sale of the collateral. If covered in the financial collateral arrangement, realisation may take place through the collateral taker acquiring the collateral if the agreement defines principles for valuation of the collateral, cf., however, section 201.

204. A security financial collateral arrangement may include a provision on right of use, whereby the collateral taker may transfer the collateral received or some of this to a third party to own or as security.

(2) If the collateral taker has exercised a right of use under subsection (1), the collateral taker shall return a comparable collateral no later than at the time when the secured claims fall due. The returned collateral is considered provided under the financial collateral arrangement at the same time as the original collateral.

(3) Return under subsection (2) may only be reversed if the conditions in section 74 of the Bankruptcy Act are met.

(4) Return under subsection (2) may be omitted in so far as the value of the collateral under the terms of the financial collateral arrangement is offset in the secured financial obligations or is made the subject of close-out netting. Claims for return are in such instances considered to have arisen at the time when the original collateral was provided.

(5) Subsections (1)-(4) shall not apply to credit claims.

205. A title transfer financial collateral arrangement becomes, relative to perfection and realisation, effective in accordance with the terms of the arrangement.

(2) Should an enforcement event occur before the collateral taker has met any obligation to transfer comparable collateral, the obligation may become subject to close-out netting if this is in accordance with the arrangement.

206. An arrangement may with legal effect for a third party, cf., however, sections 207 and 208, include a provision that the financial obligations of the arrangement, cf. section 5, no. 2, shall be subject to close-out netting in case of an enforcement event, cf. section 5, no. 6.

(2) With legal effect for the estate and the creditors, it may be agreed that close-out netting shall only take place when the performing party notifies the non-performing party accordingly after the occurrence of an enforcement event. In the event of the opening of insolvency proceedings against the non-performing party, this party may, however, claim that close-out netting be executed so that the parties are in the same position as if the close-out netting had occurred without undue delay after the point in time when the performing party knew or should have known that the non-performing party was subject to insolvency proceedings.

(3) Section 197(3) and sections 198 and 201 similarly apply to an agreement on close-out netting which is not part of a financial collateral arrangement.

207. Close-out netting, cf. section 206(1), which is executed after the non-performing party has become subject to reconstruction proceedings, may include financial obligations which arose prior to the point in time when the non-defaulting party knew or should have known the circumstances establishing the time limit, cf. section 1 of the Bankruptcy Act.

(2) Close-out netting which is executed after the non-performing party has been declared bankrupt may include financial obligations which arose prior to the point in time when the non-defaulting party knew or should have known the circumstances establishing the time limit, cf. section 1 of the Bankruptcy Act. Financial obligations arisen after the expiry of the day when the bankruptcy was published in the Danish Gazette may, however, not become part of the close-out netting.

208. A financial obligation covered by section 42(3) and (4) of the Bankruptcy Act may be included in a close-out netting, unless the performing party knew or should have known that the non-performing party was insolvent when the claim was obtained or arose.

(2) Close-out netting, cf. section 206(1), may only be reversed under section 69 of the Bankruptcy Act if the close-out netting includes claims which could not have been part of an agreed close-out netting in case of bankruptcy, cf. subsection (1) and section 207(2).

209. An agreement with legal effect on a third party may include a provision that all claims stemming from foreign exchange trading and financial instruments covered under the agreement shall be netted on an ongoing basis with agreed settlement. Sections 207 and 208 shall similarly apply to agreements on continuous netting.

210. Where a financial instrument is registered to an account at a central securities depository (CSD) or an

account-holding institution, questions concerning the instrument, cf. subsection (2), are decided on according to the legislation of the country in which the account is kept, with the exception of conflict-of-law rules.

(2) The following questions are decided according to the legislation mentioned in subsection (1):

1) The legal nature of the collateral in financial instruments and the related property law effects.
2) The requirements to ensure a financial collateral arrangement against a third party, and the requirements to the measures necessary for such an arrangement to have effect on a third party.
3) Whether a person's title to or interest in a collateral in financial instruments is overridden by or subordinated to a competing title or interest, including whether a good faith acquisition has occurred.
4) What measures are necessary to realise a collateral in the form of financial instruments at the occurrence of an enforcement event.

Title XI

Rules on supervision, control, publication, etc.

Part 37

Supervision, control, etc.

211. The Financial Supervisory Authority shall ensure compliance with this Act and rules pursuant thereto, with the exception of section 9 and the rules in Part 36.

(2) Additionally, the Financial Supervisory Authority shall ensure compliance with:

1) Section 32(3), no. 1, cf. section 32(6) of the Danish Act on Approved Auditors and Audit Firms.
2) Articles 37-42 of Commission Regulation (EU) no. 1031/2010 of 12 November 2010 on the timing and administrative aspects of auctioning of greenhouse gas emission allowances and other aspects pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community, and rules pursuant thereto.
3) Regulation (EU) no. 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps, and rules pursuant thereto.
4) Regulation (EU) no. 648/2012 of 4 July 2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories, and rules pursuant thereto, with the exception of Titles VI and VII.
5) Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation), and rules pursuant thereto.
6) Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, and rules pursuant thereto.
7) Regulation (EU) no. 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories, and rules pursuant thereto.

(3) The Financial Supervisory Authority shall ensure compliance with Regulations established pursuant to the Directives which are implemented in this Act.

(4) The Governing Board of the Financial Supervisory Authority shall partake in the supervision under subsections (1)-(3) and section 213(1)-(5) and (8) with the competence conferred on the Board pursuant to section 345 of the Financial Business Act. Section 224(1) shall apply to members of the Board, the observer, members of the panel of experts, and the Consumer Ombudsman.

212. The Financial Supervisory Authority shall supervise operators of a trading venue, data reporting services providers, central counterparties (CCPs), central securities depositories (CSDs), account-holding institutions, and registered payment systems, cf, however, subsection (3).

(2) In connection with significant subsidiaries of foreign undertakings authorised to operate as covered in subsection (1) in a country within the European Union or a country with which the Union has entered into an agreement for the financial area, the Financial Supervisory Authority shall participate in any cooperation forums with the group on the supervision.

(3) Danmarks Nationalbank shall supervise registered payment systems, which Danmarks Nationalbank finds of significant importance to the payment processing or execution of Danmarks Nationalbank's monetary policy transactions.

Accounting control

213. For issuers of transferable securities domiciled in Denmark, the Financial Supervisory Authority shall monitor that the rules on financial information in annual reports and interim reports in sections 183-193 of the Financial Business Act, the Financial Statements Act, sections 82 and 83 of the Act on Investment Funds, etc., and section 131 of the Alternative Investment Fund Managers, etc. Act are complied with if the transferable securities are admitted to trading on a regulated market in this country, in a country within the European Union, or a country with which the Union has entered into an agreement for the financial area.

(2) The Financial Supervisory Authority shall also monitor that rules issued pursuant to section 196 of the Financial Business Act, the Financial Statements Act, section 95 of the Act on Investment Funds, etc., and section 131 of the Alternative Investment Fund Managers, etc. Act are complied with.

(3) The Financial Supervisory Authority shall monitor compliance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

(4) In connection with its monitoring under subsections (1)-(3), the Financial Supervisory Authority shall execute the powers conferred on the Financial Supervisory Authority pursuant to section 197 of the Financial Business Act, section 96 of the Act on Investment Funds, etc., and section 159 (a) of the Financial Statements Act.

(5) The monitoring under subsections (1)-(4) shall also include monitoring of the rules on financial information in

annual reports and interim reports from issuers domiciled in Denmark under section 21, as these rules are established in the accounting legislation comprising the issuers concerned, cf. sections 27 and 28. In performing the monitoring, the Financial Supervisory Authority may

1) offer advice;
2) reprimand infringements;
3) order the correction of errors and for infringements to be stopped; and
4) order correction to a situation, including the order to publish corrected or supplementary information.

(6) The Financial Supervisory Authority may, in special circumstances, employ external assistance in connection with its monitoring pursuant to subsections (1)-(5).

(7) If the monitoring under subsection (5), first clause, concerns an undertaking that does not fall under the supervision of the Financial Supervisory Authority, cf. subsection (8), section 156(3) of the Financial Statements Act, and rules pursuant thereto, on payment of an annual fee to cover the related monitoring activity shall apply similarly.

(8) In handling cases concerning undertakings comprised by the Financial Statements Act and the monitoring under subsection (5) of issuers not falling under the supervision of the Financial Supervisory Authority, the Danish Business Authority shall take the place of the Financial Supervisory Authority.

Powers

214. The Financial Supervisory Authority may require all information, documents, or other data in any form which the Financial Supervisory Authority deems necessary for its proper functioning or for deciding whether an infringement has been committed of rules with which the Financial Supervisory Authority ensures compliance with the rules in section 211(1)-(3) and section 213(1)-(3) and (5) from undertakings under supervision, the current and previous management of undertakings under supervision, and other natural and legal persons subject to obligations in accordance with the rules as covered in section 211(1)-(3) and section 213(1)-(3) and (5).

(2) The Financial Supervisory Authority may require that auditors of investment firms, operators of a trading venue, and data reporting services providers, as well as auditors auditing or performing other audit tasks for issuers, providers of transferable securities, or persons applying for admission to trading on a trading venue supply information deemed necessary for the Financial Supervisory Authority to decide whether an infringement has been committed of rules with which the Financial Supervisory Authority ensures compliance under the rules in section 211(1-3) and section 213(1-3) and (5). The Financial Supervisory Authority may additionally require documents from the auditors for the Financial Supervisory Authority to decide whether an infringement of rules in Parts 5 and 7 and section 213 has occurred.

(3) The Financial Supervisory Authority may, moreover, and without a court order, require any existing recordings of phone conversations, electronic communication, or lists of data traffic with an investment firm, an operator of a trading venue, and data reporting services providers.

(4) The powers of the Financial Supervisory Authority under subsection (1) shall similarly apply to suppliers and subcontractors mentioned in subsection (1) in order to obtain information on the outsourced activity.

215. The Financial Supervisory Authority may at any time, and without a court order but on presentation of due proof of identity, carry out supervision and investigations at the place of business of undertakings under supervision and undertakings subject to obligations pursuant to the rules of section 211(1-3) and section 213(1-3) and (5).

(2) The Financial Supervisory Authority may at any time, and without a court order but on presentation of due proof of identity, get access to the place of business of suppliers and subcontractors to undertakings under supervision and undertakings subject to obligations pursuant to the rules of section 211(1)-(3) and section 213(1)-(3) and (5) in order to obtain information on the outsourced activity.

216. The Financial Supervisory Authority may collect all information, documents, or other data in any form pursuant to sections 214 and 215 for passing on to the authorities covered in section 226, nos. 1-6 and no. 12, and section 227, nos. 1-5.

217. The powers under sections 214-216 are exercised by Danmarks Nationalbank in case of registered payment systems covered in Part 32, and by the Danish Business Authority in connection with monitoring under section 213(8).

218. The Financial Supervisory Authority may require

1) suspension of the trade of a financial instrument on a trading venue;
2) deletion of a financial instrument from trade on a trading venue;
3) temporary or permanent cessation of any practice or conduct contrary to this Act and rules established pursuant thereto, Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation), or Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments; and
4) imposing a temporary prohibition on the exercise of professional activity contrary to this Act and rules established pursuant thereto, Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation), or Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.

219. The Financial Supervisory Authority may, moreover, require that any natural or legal person takes steps to reduce the size of his position or exposure in a commodity derivative, and limit the ability of any natural or legal person from entering into a commodity derivative contract.

220. The Financial Supervisory Authority may order a natural or legal person to change a particular conduct or action if this person does not comply with his obligations according to this Act, or rules pursuant thereto, and according to the Regulations mentioned in section 211(2)

or rules pursuant thereto. Orders may also be issued to associations of legal persons.

(2) In case of a registered payment system covered by Part 32, Danmarks Nationalbank may order a natural or legal person to change a particular conduct or action if this person does not comply with his obligations according to this Act, or rules pursuant thereto, and according to the Regulations mentioned in section 211(2) or rules pursuant thereto. Orders may also be issued to associations of legal persons.

221. The Financial Supervisory Authority may order an operator of a regulated market or a data reporting services provider to dismiss a director in an undertaking within a time limit set by the Financial Supervisory Authority if this director cannot exercise his functions under section 68(1), nos. 2-5, section 69, section 147(1), nos. 2-5, or section 148.

(2) The Financial Supervisory Authority may order a board member of an operator of a regulated market or a data reporting services provider to resign within a time limit set by the Financial Supervisory Authority if this board member cannot exercise his functions under section 68(1), nos. 2-5, section 69, section 147(1), nos. 2-5, or section 148.

(3) The Financial Supervisory Authority may order a board member in an operator of a regulated market which for two consecutive years has had a net turnover of DKK 100 million or more to resign within a time limit set by the Financial Supervisory Authority if this board member does not meet the requirements of section 70(1).

(4) The Financial Supervisory Authority may order an operator of a regulated market or a data reporting services provider to dismiss a director when he has been charged with infringement of the criminal code, this Act or any other financial legislation, until the criminal case has been decided if the decision implies that this person will not meet the requirements of section 68(1), no. 3, or section 147(1), no. 3. The Financial Supervisory Authority sets a time limit for compliance with the order. The Financial Supervisory Authority may, under the same conditions as in the first clause, order a board member of an operator of a regulated market or a data reporting services provider to resign. The Financial Supervisory Authority sets a time limit for compliance with the order.

(5) The duration of the order issued under subsection (2), based on section 68(1), no. 2, 4, or 5, section 69, section 147(1), no. 3, 4, or 5, or section 148, or subsection (3) based on section 70(1), shall appear from the order.

(6) The order issued under subsections (1)-(4) may be brought before the courts through the Financial Supervisory Authority at the request of the operator of a regulated market, the data reporting services provider, and the person subject to the order. A request to this effect shall be submitted to the Financial Supervisory Authority within 4 weeks after the order has been announced to the party concerned. The Financial Supervisory Authority shall bring the case before the courts within 4 weeks after receipt of the request. The case shall be tried within the civil court system.

(7) The Financial Supervisory Authority may of its own accord or based on an application revoke an order issued to a board member under subsections (2) and (3), and subsection (4), third clause. Should the Financial Supervisory Authority reject an application for revocation, the applicant may demand that the rejection be brought before the courts through the Financial Supervisory Authority. An application to this effect shall be submitted to the Financial Supervisory Authority within 4 weeks after the rejection has been issued to the applicant. The application for judicial review may, however, only be made if the order was not time-limited and at least 5 years have passed from the date of the issue of the order, or at least 2 years after the rejection by the Financial Supervisory Authority of revocation has been upheld by the court.

(8) If the operator of a regulated market or the data reporting services provider has not dismissed the director within the set time limit, the Financial Supervisory Authority may suspend the authorisation of the undertaking, cf. section 60(1), no. 5, and section 144(1), no. 5. Additionally, the Financial Supervisory Authority may suspend the authorisation of the undertaking, cf. section 60(1), no. 5, and section 144(1), no. 5, if a board member does not comply with the order under subsections (2)-(4).

(9) Where an operator of a regulated market or a data reporting services provider is run as a legal person without any board or management, subsections (1)-(8) shall also apply to the person or persons discharging managerial responsibilities.

Delegation

222. The Financial Supervisory Authority may establish rules to the effect that the powers under section 83(1) and rules pursuant to section 83(2) may be executed on behalf of the Authority by an operator of a regulated market under defined conditions.

(2) An operator of a regulated market who has been delegated powers under subsection (1) may require payments from the members of the regulated market for performing the tasks resulting from such powers.

(3) An operator of a regulated market who has been delegated powers under subsection (1) shall comply with Parts 3-7 of the Public Administration Act when making decisions within the delegated areas.

(4) Similarly, section 224(1) and (2) shall apply to an operator of a regulated market who has been given powers under subsection (1).

Authorisation

223. The Financial Supervisory Authority may establish detailed rules to raise the threshold for reporting managers' transactions in accordance with article 19(9) of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation).

Part 38

Obligation of professional secrecy

224. Employees at the Financial Supervisory Authority are responsible under sections 152-152(e) of the criminal code to keep secret confidential information which they have acquired through their supervision activity. The same applies to persons performing service tasks as part of the operation of the Financial Supervisory Authority as well

as experts acting on behalf of the Authority. The duty of professional secrecy in the first and second clauses also applies after the termination of the employment or the contractual relationship. The first, second and third clauses shall also apply to employees at the Danish Business Authority, as regards information they may acquire when handling cases relating to undertakings covered by the Financial Statements Act, and the monitoring under section 213(5), as well as employees at Danmarks Nationalbank in case of registered payment systems covered in Part 32.

(2) Consent from the person or entity, which the duty of professional secrecy is intended to protect, shall not entitle persons mentioned in subsection (1) to disclose confidential information.

(3) Subsection (1) does not prevent the Financial Supervisory Authority, the Danish Business Authority when they participate in handling cases relating to undertakings covered by the Financial Statements Act, and when monitoring under section 213(5); and Danmarks Nationalbank in case of registered payment systems covered by Part 32, from disclosing confidential information of their own accord, in summary or aggregate form when no individual undertaking or any of their clients can be identified.

(4) Confidential information may be shared in civil proceedings when an operator of a trading venue, a data reporting services provider, a central counterparty (CCP), a central securities depository (CSD), a registered payment system, or others covered by this Act are declared bankrupt or have gone into liquidation, and the information does not concern client relationships or a third party who is or has been involved in an attempt to save the persons concerned or others covered by this Act.

(5) Furthermore, subsection (1) does not prevent disclosing information to an operator of a regulated market who has obtained authorisation under section 59, and an operator of a multilateral trading facility (MTF) or an organised trading facility (OTF) that has authorisation under section 86, when done to counter or investigate whether there has been any misuse of inside information or market manipulation in conflict with Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation), or otherwise to counter or investigate whether the trading and pricing at the trading venue take place in aproper and transparent manner.

Exceptions from the professional secrecy

225. Section 224(1) does not preclude disclosing confidential information to:

1) The Systemic Risk Council.
2) Public authorities in connection with investigations or prosecution of possible criminal conduct under the criminal code or prudential legislation.
3) The competent minister as part of his overall supervision.
4) Administrative authorities or courts handling appeals of decisions made by the Financial Supervisory Authority or the Danish Business Authority as part of the authority's handling of cases concerning undertakings covered by the Financial Statements Act or monitoring under section 213(5).
5) The Danish Parliamentary Ombudsman.
6) A commission appointed by the Danish Parliament, cf., however, section 228(2).
7) Investigation commissions established by law or in accordance with the law on investigation commissions, cf., however, section 228(2).
8) The Danish Parliament's standing committee on the general economic conditions of an operator of a trading venue, a data reporting services provider, a central counterparty (CCP), a central securities depository (CSD), and a registered payment system with regard to crisis management of the undertakings, when deciding on whether the Danish State should issue guarantees or make funds available. This also applies in connection with the parliamentary control covered by the first clause.
9) The Public Accounts Committee and Rigsrevisionen (the National Audit Office).
10) Stakeholders, including authorities involved in attempts to save an ailing operator of a trading venue, a data reporting services provider, a central counterparty (CCP), a central securities depository (CSD), or a registered payment system, when the Financial Supervisory Authority has received a mandate from the Minister of Industry, Business and Financial Affairs, and on the condition that the recipients of the information need it.
11) The bankruptcy court and other authorities participating in liquidation, bankruptcy or similar proceedings, and the liquidator, cf, however, section 228(2).
12) Persons responsible for the statutory audit of the financial statements of an operator of a trading venue, a data reporting services provider, a central counterparty (CCP), a central securities depository (CSD), and a registered payment system, or others covered by this Act, and on the condition that the recipients of the information need it for the execution of their function, cf., however, section 228(2).
13) Institutions administering depositor, investor, or insurance guarantee schemes, on the condition that the information is needed for the execution of their function.
14) The Danish Business Authority and the Auditor Board.
15) Experts assisting the Financial Supervisory Authority, the Danish Business Authority, the Auditor Board, and institutions administering depositor, investor, or insurance guarantee schemes, and on the condition that the recipients of the information need it for the execution of their function, cf., however, section 228(2).
16) An institution managing clearing of financial instruments or money if it is necessary to ensure that the institution reacts appropriately to default or potential default on the market where the institution is responsible for clearing.

(2) The access to disclose confidential information, cf. subsection (1), no. 8, is limited to documents in cases

established in the Financial Supervisory Authority after 16 September 1995.

226. Additionally, section 224(1) does not preclude disclosing confidential information to:

1) Danmarks Nationalbank; central banks in countries within the European Union or countries with which the Union has entered into an agreement for the financial area; the European System of Central Banks and the European Central Bank in their capacity as monetary policy authorities; and public authorities monitoring the payment systems in Denmark and other countries within the European Union or countries with which the Union has entered into an agreement for the financial area, on the condition that the recipients of the information need it for the execution of their functions.
2) Financial supervisory authorities in other countries within the European Union or countries with which the Union has entered into an agreement for the financial area, which are responsible for supervising credit institutions, financial institutions, insurance companies, investment firms, management companies, or the financial markets, on the condition that the recipients of the information need it for the execution of their functions.
3) Authorities and bodies that are responsible for maintaining financial stability through macro-prudential regulation, and authorities or bodies whose objective is to ensure the financial stability, on the condition that the recipients of the information need it for the execution of their functions.
4) Institutions in other countries within the European Union or countries with which the Union has entered into an agreement the financial area administering depositor, investor, or insurance guarantee schemes, and on the condition that the recipients of the information need it for the execution of their functions.
5) Bodies in other countries within the European Union or countries with which the Union has entered into an agreement for the financial area, which participate in liquidation, bankruptcy or similar proceedings, on the condition that the recipients of the information need it for the execution of their functions.
6) Authorities supervising persons in other countries within the European Union or countries with which the Union has entered into an agreement for the financial area, who are responsible for the statutory audit of the financial statements of an operator of a trading venue, a central counterparty (CCP), a central securities depository (CSD), a data reporting services provider, and a registered payment system, on the condition that the recipients of the information need it for the execution of their functions.
7) Bodies in other countries within the European Union or countries with which the Union has entered into an agreement for the financial area, which supervise the bodies mentioned in no. 5 and persons mentioned in no. 6, cf., however, section 228(2).
8) Experts assisting authorities in other countries within the European Union or countries with which the Union has entered into an agreement for the financial area, who supervise the bodies mentioned in no. 5, and persons mentioned in no. 6, on the condition that the recipients of the information need it for the execution of their functions, cf., however, section 228(2).
9) Bodies in other countries within the European Union or countries with which the Union has entered into an agreement for the financial area, which are responsible for substantiating any infringements of company law, on the condition that the recipients of the information need it for the execution of their functions, and that information is disclosed in order to strengthen the financial system's stability and integrity, cf., however, section 228(2).
10) Bodies in other countries within the European Union or countries with which the Union has entered into an agreement for the financial area, which are responsible for monitoring compliance with the rules on financial information from issuers of transferable securities admitted to trading on a regulated market.
11) Ministers responsible for financial legislation in other countries within the European Union or countries with which the Union has entered into an agreement for the financial area, with regard to crisis management of an operator of a trading venue, a data reporting services provider, a central counterparty (CCP), a central securities depository (CSD), and a registered payment system, if the undertaking is of significant importance to the financial stability in that country.
12) The European Securities and Markets Authority (ESMA), the European Systemic Risk Board, and bodies established by the European Securities and Markets Authority (ESMA), on the condition that the recipients of the information need it for the execution of their functions
13) The auction monitor, for his use in performing his duties pursuant to Commission Regulation (EU) no. 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community.
14) Authorities performing tasks in accordance with Regulation (EU) no. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, on the condition that the information is necessary for these authorities to perform their tasks in accordance with the Regulation.
15) Authorities performing tasks in accordance with Regulation (EU) no. 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories, on the condition that the information is necessary for these

authorities to perform their tasks in accordance with the Regulation.

16) Investigation committees established by the European Parliament in accordance with article 226 of the Treaty on the Functioning of the European Union.

227. Section 224(1) does not preclude disclosing confidential information to:

1) Financial supervisory authorities in countries outside the European Union with which the Union has not entered into an agreement for the financial area, which are responsible for supervising credit institutions, financial institutions, insurance undertakings, or the financial markets, cf., however, section 228.
2) Authorities and bodies in countries outside the European Union with which the Union has not entered into an agreement for the financial area, which are responsible for maintaining financial stability through macro-prudential regulation, or whose purpose is to ensure the financial stability, cf., however, section 228.
3) Institutions in countries outside the European Union with which the Union has not entered into an agreement for the financial area, which administer depositor, investor, or insurance guarantee schemes, cf., however, section 228.
4) Bodies in countries outside the European Union with which the Union has not entered into an agreement for the financial area, which participate in liquidation, bankruptcy or similar proceedings, cf., however, section 228.
5) Authorities supervising persons in countries outside the European Union with which the Union has not entered into an agreement for the financial area, which are responsible for the statutory audit of the financial statements of an operator of a trading venue, a data reporting services provider, a central counterparty (CCP), a central securities depository (CSD), and a registered payment system, or others covered by this Act, cf., however, section 228.
6) Bodies in other countries outside the European Union with which the Union has not entered into an agreement for the financial area, which supervise bodies mentioned in no. 4 and persons mentioned in no. 5, cf., however, section 228.
7) Experts assisting authorities in other countries outside the European Union with which the Union has not entered into an agreement for the financial area, which supervise bodies mentioned in no. 4 and persons mentioned in no. 5, cf., however, section 228.
8) Bodies in countries outside the European Union with which the Union has not entered into an agreement for the financial area, which are responsible for substantiating any infringements of company law, on the condition that the information is disclosed in order to strengthen the financial system's stability and integrity, cf., however, section 228.

228. Disclosure of confidential information under section 227, nos. 1-4 may only take place based on an international cooperation agreement, and on the condition that the recipients are at least bound by an obligation of professional secrecy, comparable to the obligation of professional secrecy pursuant to section 224(1) and need the information in order to perform their tasks.

(2) Disclosure of confidential information under section 225, nos. 6, 7, 11, 13, and 15, section 226, nos. 7-9 and section 227 originating from countries within the European Union or countries with which the Union has entered into an agreement for the financial area may, furthermore, only takes place if the authorities or bodies disclosing the information have given their express permission, and the information may solely be used for the purpose covered by this permission. In disclosing information under section 225, no. 15, section 226, no. 5, and section 227, no. 7, the Financial Supervisory Authority informs the authorities or bodies disclosing the information about the experts to whom the information will be disclosed indicating the powers of the experts concerned.

229. Anyone who in accordance with section 224(5) and (6) and sections 225-227 receive confidential information from the Financial Supervisory Authority; the Danish Business Authority when they participate in handling undertakings covered by the Financial Statements Act, and when monitoring under section 213(5); or Danmarks Nationalbank in case of registered payment systems covered by Part 32, shall be bound by a duty of professional secrecy with regard to the information pursuant to section 224(1).

(2) Confidential information received by the Financial Supervisory Authority; the Danish Business Authority when they participate in handling undertakings covered by section 213; and Danmarks Nationalbank in case of registered payment systems covered by Part 32, may only be used in connection with executing their functions to issue sanctions, or in case the decision of the Authority is appealed to a higher administrative authority or is brought before the courts.

230. Employees of the Financial Supervisory Authority may not disclose information about a person when this person has reported an undertaking or a physical person to the Financial Supervisory Authority for infringement or potential infringement of rules, for which the Financial Supervisory Authority monitors compliance in accordance with the rules in section 211(1-3) and section 213(1)-(3) and (5), cf., however, subsection (2).

(2) Information mentioned in subsection (1) may be disclosed pursuant to sections 225-227.

(3) Anyone who in accordance with subsection (2) receives information as mentioned in subsection (1) shall be bound by a duty of professional secrecy with regard to said information pursuant to section 224(1).

Part 39

Parties and complaint

231. Anyone against whom a decision is directed is considered a party in a case, in which the Financial Supervisory Authority has made or will make a decision pursuant to rules in section 211(1)-(3) and section 213(1)-(3) and (5), as regards the part of the case concerning the person in question.

(2) The following natural and legal persons are also considered a party or parties in a case in which the Financial Supervisory Authority has made or will make a decision pursuant to rules for which the Financial Supervisory Authority monitors compliance in accordance with the rules in section 211(1)-(3) and section 213(1)-(3) and (5), as regards the part of the case concerning the person or persons in question:

1) A member of the executive board in cases where the Financial Supervisory Authority makes decisions pursuant to sections 74, 75, 147, or 148, or article 27(1) or (2) of Regulation (EU) no. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, or article 27(1), (2) or (4) of Regulation (EU) no. 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving the securities settlement in the European Union and on central securities depositories.
2) An undertaking in cases where the Financial Supervisory Authority decides against a member of the board of directors of the undertaking pursuant to sections 74-76, 147, or 148, or article 27(1) or (2) of Regulation (EU) no. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, or article 27(1), (2) or (4) of Regulation (EU) no. 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving the securities settlement in the European Union and on central securities depositories.

(3) In cases where the Danish Business Authority takes the place of the Financial Supervisory Authority as part of the monitoring under section 213, subsection (1) shall apply similarly to a decision which has or will be made by the Danish Business Authority. Additionally, anyone who is considered to be a party by the Financial Supervisory Authority or the Danish Business Authority, is considered a party in decisions under section 213.

232. Decisions made by the Financial Supervisory Authority in accordance with the rules of section 211 and section 213(1)-(3) and (5) may be appealed to the Danish Commerce and Companies Appeals Board (Erhvervsankenævnet) no later than 4 weeks after the decision has been notified to the person concerned, cf., however, subsection (2).

(2) Subsection (1) does not cover decisions under sections 214-217, section 221(6), or section 233(1), or articles 14 and 15, cf. article 17, of Regulation (EU) no. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

(3) Subsections (1) and (2) shall also apply to decisions taken by the Danish Business Authority on behalf of the Financial Supervisory Authority, cf. section 213, and decisions taken by Danmarks Nationalbank under section 180.

(4) Subsections (1)-(3) shall also apply to undertakings exercising powers on behalf of the Financial Supervisory Authority pursuant to section 222.

233. Decisions made by an operator of a trading venue, a data reporting services provider, a central counterparty (CCP), a central securities depository (CSD) or an account-holding institution in accordance with the rules of section 211(1)-(3), may be appealed by the person towards whom the decision is directed to the Financial Supervisory Authority no later than 4 weeks after the notification of the decision. The Financial Supervisory Authority may grant the appeal suspensive effect. The first clause shall not, however, apply to decisions made by an operator of a trading venue under section 117(1).

(2) Decisions of the Danish Commerce and Companies Appeals Board and decisions taken by the Financial Supervisory Authority under subsection (1) may be appealed by the person towards whom the decision is directed to the courts no later than 8 weeks after the notification of the decision.

Part 40

Publication

234. The Financial Supervisory Authority shall, by naming the undertaking and the natural person, publish the following on the homepage of the Financial Supervisory Authority, cf, however, sections 237-239:

1) Responses issued under section 211(4) of this Act, cf. section 345(7), no. 4 of the Financial Business Act, or by the Financial Supervisory Authority after delegation from the Governing Board of the Financial Supervisory Authority.
2) Reprimands, orders, accepted administrative fine notices and penalty payments not covered by no. 1.
3) Decisions to hand over cases about undertakings for police investigation.
4) Judgments or acceptance of fine notices in cases which were previously handed over to the police for investigation, in which full or partial judgments have been issued or a fine has been accepted.

(2) The Financial Supervisory Authority may, naming the undertaking and the natural person, publish responses, etc. not covered by subsection (1), nos. 1 or 2, as well as prior indications if it is deemed to be in the interest of the public or contributes to information on the general practice of the Financial Supervisory Authority.

(3) The Financial Supervisory Authority may decide that the publication under subsection (1), nos. 2-4, and subsection (2) shall be in the form of a summary.

(4) Publication under subsections (1)-(3) concerning an undertaking may not contain any confidential information about client relations or information covered by section 30 of the Public Access to Documents Act. The publication may not contain any confidential information originating from financial supervisory authorities in other countries, unless the authorities disclosing the information have expressly allowed this.

235. Where a response, etc. published in accordance with section 234(1), nos. 1 or 2, or section 234(2) is appealed to the Danish Commerce and Companies Appeals Board, the information about this shall be published by the Financial Supervisory Authority on the homepage of the Financial Supervisory Authority. Status and subsequent results of the findings of the Danish Commerce and Companies Appeals

Board shall also be published by the Financial Supervisory Authority on the homepage of the Financial Supervisory Authority.

236. If a judgement which is published in accordance with section 234(1), no. 4 has been appealed, information about this shall be published by the Financial Supervisory Authority.

(2) In cases where the Financial Supervisory Authority has published a decision to hand over a case for police investigation under section 234(1), no. 3, and a decision of withdrawal of a reprimand or dismissal of claim is taken or absolute discharge is decided, the Financial Supervisory Authority shall, upon request from the undertaking or person concerned, publish information to this effect. The undertaking or person shall submit a copy of the decision of withdrawal or dismissal of charge or a copy of the judgement to the Financial Supervisory Authority together with a request for publication. If the decision of withdrawal or dismissal of charge or the judgement is not final, this shall be stated in the publication. If the Financial Supervisory Authority receives documentation to the effect that the case is closed by the final decision of withdrawal or dismissal of charge or the absolute discharge, the Financial Supervisory Authority shall remove all information on the decision to hand the case over for police investigation and any subsequent judgements in the case from the homepage of the Financial Supervisory Authority.

Restriction on the publication by the Financial Supervisory Authority

237. Publication under section 234 of cases concerning Regulation (EU) no. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, and rules established pursuant thereto, shall not be effected if this publication would seriously jeopardise the financial markets or cause disproportionate damage to the parties involved.

238. Publication under section 234 of cases concerning Parts 5 and 7 shall be deferred or anonymised, if

1) the publication would cause disproportionate damage to the undertaking or the natural person;
2) investigatory considerations speak against publication;
3) publication would threaten the financial stability; or
4) societal considerations to publication of a person's name are assessed not to be proportionate to the consideration to the person.

239. Publication under section 234, which is not covered by the restrictions on publication in sections 237 and 238, shall not take place if

1) the publication would cause disproportionate damage to the undertaking or the person;
2) publication of the identity of the undertaking or personal data on the natural persons is not proportionate to the consideration behind the publication;
3) the publication poses a threat to the stability of financial markets; or
4) investigatory considerations speak against publication.

(2) If publication cannot take place under subsection (1), the Financial Supervisory Authority shall

1) publish anonymously if anonymous publication ensures effective protection of the personal data concerned;
2) defer the publication until the cause for omission of publication is no longer present; or
3) omit to publish if the options in nos. 1 and 2 are assessed to be insufficient to ensure that the stability of the financial markets is not jeopardised or ensure the proportionality of the publication.

(3) Where the publication is deferred in accordance with subsection (1), no. 1 or section 238, a subsequent publication shall take place according to section 234 when there is no longer any consideration necessitating the deferral if this condition occurs within 2 years after the date of the response, decision, judgement, or acceptance of fine.

The time and duration of the publication by the Financial Supervisory Authority

240. The publication by the Financial Supervisory Authority under this Part shall take place within a reasonable period of time after the undertaking or the natural person has been informed of the response or decision, and of the Financial Supervisory Authority considering publication thereof. If the Financial Supervisory Authority cannot inform the person concerned, publication can still take place.

(2) The published information shall be available on the homepage of the Financial Supervisory Authority for at least 5 years from the date of publication. Publication concerning natural persons, however, shall only remain on the homepage of the Financial Supervisory Authority for as long as the publication of the information is justified in the public interest.

Publications by undertakings

241. If a response, etc., directed at an undertaking under supervision is published pursuant to section 234(1), nos. 1 or 2 or section 234(2), or if a judgement or fine acceptance directed at or accepted by an undertaking under supervision is published pursuant to section 234(1), no. 4, the undertaking shall publish the particular response, etc., judgement, or fine acceptance on its own homepage at a place where such would naturally belong.

(2) The undertaking shall publish a response, etc., as mentioned in subsection (1), no later than 3 working days after the undertaking received the response, etc., or no later than at the time required according to this Act or other regulation.

(3) The undertaking shall publish a judgement or fine acceptance as mentioned in subsection (1) no later than 10 working days after the pronouncement of the judgement or acceptance of the fine.

(4) Simultaneously with the publication by the undertaking under subsections (1)-(3), the undertaking shall post a link giving direct access to the response, etc., the judgement, or accepted fine visibly on the front page of its homepage. It should be clear from the link and any

connected text that this concerns a response from the Financial Supervisory Authority, a judgement or an accepted fine. Removal of the link and the information from the front page of the undertaking's homepage shall follow the same principles as those used by the undertaking for other announcements, however, not before the link and the information have remained on the homepage for 3 months, and not before the next general meeting or meeting of the board of representatives.

(5) If the undertaking comments upon the response, etc., judgement, or fine acceptance published pursuant to subsections (1)-(3), this shall be done in continuance thereof, and the comments shall be clearly separated from the response, etc., judgement, or fine acceptance.

(6) The undertaking shall inform the Financial Supervisory Authority about the publication of a judgement or fine acceptance, cf. subsection (1), as soon as possible after the publication and shall forward a copy of the judgement or fine acceptance to the Financial Supervisory Authority.

242. If an operator of a trading venue, a data reporting services provider, a central counterparty (CCP), or a central securities depository (CSD) discloses information on the undertaking, and if the information has been made public, the Financial Supervisory Authority may order the undertaking to publish rectifying information within a time limit set by the Financial Supervisory Authority, should the Financial Supervisory Authority find the information to be misleading, and if the Financial Supervisory Authority finds that the information might have a harmful effect upon the clients of the undertaking, other creditors, the financial markets where financial instruments issued by the undertaking are traded, the orderly functioning of the market, or the financial stability in general.

Authorisation

243. For undertakings under supervision covered by this Act, the Minister of Industry, Business and Financial Affairs may establish rules for the obligation of undertakings to publish information about the Financial Supervisory Authority's assessment of the undertaking, and to the effect that the Financial Supervisory Authority has the option to publish the information before the undertaking does so.

Title XII

Digital communication and fees

Part 41

Digital communication

244. A digital message is considered to have arrived when it is available to the addressee of the message.

(2) The Minister of Industry, Business and Financial Affairs may establish rules to the effect that written communication to and from the Financial Supervisory Authority, the Minister of Industry, Business and Financial Affairs, and the Danish Business Authority on circumstances covered by this act, or rules pursuant thereto, shall be made digitally.

(3) The Minister of Industry, Business and Financial Affairs may establish rules for digital communication, including the use of certain IT systems, specific digital formats and digital signature or the like.

245. Should it be required under this Act, or rules established pursuant thereto, that a document issued by other than the Financial Supervisory Authority, the Minister of Industry, Business and Financial Affairs, or the Danish Business Authority be signed, this requirement may be met using a technique ensuring unique identification of the person issuing the document, cf., however, subsection (2). Such documents shall be considered equivalent to documents with a personal signature.

(2) The Minister of Industry, Business and Financial Affairs may establish rules on derogation from signature requirements. It could be decided that a requirement for a personal signature may not be waived regarding certain types of documents.

Fees

246. The following natural and legal persons must pay fees to the Financial Supervisory Authority:

1) Operators of trading venues.
2) Systematic internalisers.
3) Central securities depositories (CSDs).
4) Data reporting services providers.
5) Central counterparties (CCPs).
6) Financial undertakings, financial holding companies, and insurance holding companies, whose transferable securities have been admitted to trading on a regulated market.
7) Natural or legal persons who apply to the Financial Supervisory Authority for approval of a prospectus in accordance with Part 3.
8) Issuers.
9) Securities dealers.

(2) The fees shall be fixed in accordance with Part 22 of the Financial Business Act.

Title XIII

Penalty provisions

Part 42

Provisions subject to penalty in this Act

247. Unless a more severe penalty is incurred under other legislation, any infringement of the following shall be punishable by fines: section 10, section 12(1), section 23(1), section 24, section 25, first clause, section 26(1) and (3), section 27(1) and (3), section 29(1) and (3), sections 30-33, section 34(1) and (2), section 35(1) and (2), section 38(1), section 39(1), sections 40, 45 and 47, section 51(1), section 53, section 56(1) and (3), section 58(1), section 59(1), section 61(3), section 63, section 64(1) and (3), section 65(1-6), section 66(1) and (2), section 67, section 68(2) and (3), cf. subsection(1), nos. 3 and 4, sections 71, 73, 75 and 76, section 77(2), section 78(1)-(3), sections 79-82, section 86(1), section 88(2), sections 90-93, 95 and 98-101, section 102(1), section 103(1), sections 104, 106 and 107, section 108(1)-(3), section 109, section 110(1), section 111(1),

section 114, section 115(1-4), section 116, section 117(2)-(4), sections 118-120, section 121(1), sections 122 and 123, section 124(1), section 125, section 129(1), section 130(1), first clause, and (3), section 131, section 132(1) and (4), sections 133-135, section 136(1), (4) and (5), section 137(1), section 139(1), (3)-(5) and (7), section 140, section 142(1), section 145, section 146(1) and (2), section 147(2), cf. subsection (1), nos. 3 and 4, section 147(4), cf. subsection (2), cf. subsection (1), nos. 3 and 4, sections 149-162, and section 241.

Provisions subject to penalty in regulations

248. Unless a more severe penalty is incurred under other legislation, any infringement of the following shall be punishable by fines: article 3(1) and (3), article 4(3)(a-c), article 6, article 7(1), 3rd paragraph, 1st clause, article 8(1), (3) and (4), article 10, article 11(1), 3rd paragraph, 1st clause, and (3), 3rd paragraph, article 12(1), article 13(1), article 14(1), (2), 1st paragraph, and (3), 2nd to 4th clause, article 15(1), 1st paragraph, and 2nd paragraph, 1st and 3rd clause, (2), and (4), 2nd clause, article 17(1), 2nd clause, article 18(1) and (2), (4), 1st clause, (5), 1st clause, (6), 1st paragraph, and (8) and (9), article 20(1), and (2), 1st clause, article 21(1), (2) and (3), article 22(2), article 23(1) and (2), article 25(1) and (2), article 26(1), 1st paragraph, (2)-(5), (6), 1st paragraph, and (7), 1st to 4th paragraph and 8th paragraph, article 27(1), article 28(1) and (2), 1st paragraph, article 29(1) and (2), article 30(1), article 31(2) and (3), article 35(1)-(3), article 36(1)-(3), and article 37(1) and (3), of Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.

249. Unless a more severe penalty is incurred under other legislation, any infringement of the following shall be punishable by fines: article 16(1) and (2), article 17(1), (2), (4), (5), (7), and (8), article 18(1)-(6), article 19(1), (2), (5), (7), and (11), and article 20(1) of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation).

(2) Infringement of articles 14 and 15 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation), shall be punishable by a fine or imprisonment of up to 1 year and 6 months.

250. Unless a more severe penalty is incurred under other legislation, any infringement of article 42 of Commission Regulation (EU) No. 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community, shall be punishable by a fine.

(2) Any infringement of article 38(1), article 39, article 40, cf. article 38(1), and article 39 and article 41 of Commission Regulation (EU) no. 1031/2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community, shall be punishable by a fine or imprisonment of up to 1 year and 6 months.

251. Unless a more severe penalty is incurred under other legislation, any infringement of article 4(1), article 7(1), first clause, article 8(1), article 9(1), article 10(1), and article 11(1)-(4) of Regulation (EU) no. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories shall be punishable by a fine.

252. Unless a more severe penalty is incurred under other legislation, any infringement of the following in Regulation (EU) no. 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps shall be punishable by fines:

1) Article 5(1), article 6(1), article 7(1), article 8, article 9(1)-(3), article 12(1), article 13(1), article 14(1), article 15(1) and (2), and article 17(9)-(11).
2) Requirement for information about any significant change in remuneration for lending of a specific financial instrument or class of financial instruments set by the Financial Supervisory Authority pursuant to article 19(2).
3) Prohibitions or conditions established by the Financial Supervisory Authority pursuant to article 20(2).
4) Restrictions on credit default swap transactions in government bonds in extraordinary circumstances set by the Financial Supervisory Authority pursuant to article 21.

253. Unless a more severe penalty is incurred under other legislation, any infringement of the following shall be punishable by fines: article 16, article 25(1), articles 26-30, 32-35, 37-41, and 43-54, and article 59(3) and (4) of Regulation (EU) no. 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving the securities settlement in the European Union and on central securities depositories

Penalty for non-compliance with orders and provision of false and misleading information

254. An operator of a trading venue, a central counterparty (CCP), a central securities depository (CSD), a data reporting services provider, an investment firm, a registered payment system, an account-holding institution, an issuer, an investor, an offeror, a participant in a market for emission allowances, a position taker, a representative, or a shareholder failing to comply with orders from the Financial Supervisory Authority issued pursuant to section 220 or providing false and misleading information to the Financial Supervisory Authority shall be punishable by a fine, unless a more severe penalty is incurred under other legislation. The first clause shall apply similarly to orders to a registered payment system issued by Danmarks Nationalbank, cf. section 180.

(2) A board member of an operator of a regulated market or of a data reporting services provider not complying with an order issued under section 221(2) and (4), 3rd clause, shall be punishable by a fine. Likewise, a board member of

an operator of a regulated market not complying with an order issued under section 221(3) shall be punishable by a fine.

(3) If a person connected to an operator of a trading venue, a central counterparty (CCP), a central securities depository (CSD), a data reporting services provider, an investment firm, a registered payment system, an account-holding institution, an issuer, an investor, an offeror, a participant in the market for emission allowances, a position taker, a representative, or a shareholder provides false or misleading information to the Financial Supervisory Authority, the Danish Business Authority, Danmarks Nationalbank, or other public authority, this person shall be punishable by a fine or imprisonment of up to 4 months, unless a more severe penalty is incurred under other legislation.

General provisions on penalties

255. According to the rules of this Act, penalties may be established in the form of fines.

(2) The Minister of Industry, Business and Financial Affairs may establish rules on penalties in the form of fines for infringements of the provisions established pursuant to regulations as mentioned in section 211(2) and section 213(3), and for infringements of regulations established pursuant to directives as mentioned in section 211(3).

(3) Legal persons may be held criminally liable according to the rules of the criminal code Part 5.

(4) The limitation period for criminal liability for infringements of the provisions of this Act and rules established pursuant hereto is 5 years.

(5) In setting fines according to this Part, the severity of the infringement and the economic circumstances of the offender shall be taken into account. For infringements committed by legal persons, the assessment of the economic circumstances of the offender shall take into account the annual net turnover of the undertaking at the time of the offence. For infringements committed by natural persons, the annual income of the person at the time of the infringement shall be taken into account.

(6) If an infringement has resulted in an economic advantage, this shall be confiscated according to the rules of the criminal code, Part 9. If confiscation is not feasible, this shall be taken into consideration when determining the amount of a fine.

Penalty payments

256. Where a director, a board member or an accountant of an operator of a trading venue, a central counterparty (CCP), a central securities depository (CSD), a data reporting services provider, an investment firm, a registered payment system, an account-holding institution, an issuer, an investor, an offeror, a participant in a market for emission allowances, a position taker, a representative, or a shareholder fails to comply with the obligations established by this Act or rules established pursuant thereto, regulations mentioned in section 211(2), or rules issued pursuant thereto, or imposed on them by the Financial Supervisory Authority, the Danish Business Authority, or in case of a registered payment system, by Danmarks Nationalbank, the Financial Supervisory Authority, the Danish Business Authority and Danmarks Nationalbank, respectively, may as a means of enforcement impose daily or weekly fines on the person concerned.

(2) If a natural or legal person fails to comply with a request for information in accordance with section 214, the Financial Supervisory Authority may impose daily or weekly fines on the natural or legal person or the persons responsible for the legal person.

(3) If an operator of a regulated market or a data reporting services provider fails to comply with an order issued pursuant to section 221(1) and (4), 1st clause, the operator of the regulated market or the data reporting services provider may be subject to daily or weekly penalty payments.

Fine notifications

257. The Minister of Industry, Business and Financial Affairs may after negotiation with the Minister of Justice establish rules to the effect that, in specific cases of infringements of this Act and rules established pursuant hereto, and rules of the regulations of the European Union for the areas of the Act that the Financial Supervisory Authority supervises, not deemed to entail higher penalty than a fine, the Financial Supervisory Authority may issue a fine notification to indicate that the case may be settled without court proceedings if the offender pleads guilty to the infringement and is ready to pay a fine within a specified time limit, as stated in the fine notification.

(2) The rules of the Administration of Justice Act concerning requirements as to the content of an indictment and the right of the accused to remain silent shall apply equally to such fine notifications.

(3) If the fine is accepted, any further legal process is cancelled.

Title XIV

Effective date, transitional provisions, territorial validity

Part 43

Effective date

258. The Act shall become effective on 3 January 2018, cf., however, subsection (3).

(2) The Securities Trading Act etc,, cf. Consolidating Act no. 251 of 21 March 2017, is repealed.

(3) Section 262(3) shall become effective on 1 July 2017.

(4) The statutory orders, rules and regulations issued in accordance with the Securities Trading Act etc, shall remain in effect until amended or repealed.

Transitional provisions

259. The Financial Supervisory Authority may exclude non-financial counterparties, cf., however, subsection (2), from:

1) The clearing obligation of article 4 of Regulation (EU) no. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

2) The obligations of risk-mitigation techniques under article 11(3) of Regulation (EU) no. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

(2) Subsection (1) shall only apply to non-financial counterparties meeting the requirements of article 10(1) of Regulation (EU) no. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, or the non-financial counterparties for the first time being granted authorisation as investment firms from 3 January 2018.

(3) Subsection (1) shall only apply to C6 energy derivative contracts entered into prior to 3 January 2021.

(4) A non-financial counterparty excluded from the obligations of subsection (1) may exclude C6 energy derivative contracts from his holding of OTC derivative contracts when calculating the clearing threshold of article 10 of Regulation (EU) no. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

260. The shareholders and persons acting in concert with them, who under section 22(7) of Act no. 403 of 28 April 2014 amending the Financial Business Act, the Securities Trading Act etc., the criminal code, the Alternative Investment Fund Managers, etc. Act, the Administration of Justice Act, and various other acts were exempted from the obligation to make a takeover bid in connection with changing the limit for the obligation to make mandatory bids, are still obligated to make a voluntary takeover bid to the other shareholders if the shareholder or the persons acting in concert with him/her acquire further shares in the undertaking.

261. Undertakings that have set up a non-distributable fund reserve under section 101 of the Securities Trading Act etc. shall maintain this fund reserve.

(2) The non-distributable reserves under subsection (1) may be used to cover deficits that are not covered by the free reserves of the undertaking.

(3) The undertaking shall set aside 10 percent of the part of the undertaking's profit which is not used to cover deficits in earlier years into the non-distributable fund reserves. The provision may, however, not exceed the return on the fund reserve, which corresponds to the interest calculated according to the rules pursuant to section 176(2) of the Financial Business Act less a proportionate share of the annual corporation tax.

(4) If the undertaking ceases its activities, the non-distributable fund reserves shall be used according to the conversion decision.

262. An operator of a regulated market that on 3 January 2018 operates a regulated market retains its authorisation to operate a regulated market. An operator of a multilateral trading facility (MTF) that on 3 January 2018 operates a multilateral trading facility (MTF) retains a similar authorisation to do so, cf., however, subsections (2) and (3).

(2) An operator of a multilateral trading facility (MTF) that until 3 January 2018 has operated a multilateral trading facility (MTF) as an alternative trading venue retains its authorisation to operate a multilateral trading facility (MTF).

(3) An operator of a multilateral trading facility (MTF) that until 3 January 2018 has operated a multilateral trading facility (MTF) as an alternative trading venue may apply for the multilateral trading facility (MTF) to be registered as an SME growth market, cf. Part 21. The application must be received by the Financial Supervisory Authority no later than 1 July 2017.

Territorial validity

263. This Act shall not apply to the Faeroe Islands and Greenland, however, it may by royal decree be put into effect fully or partially for the Faeroe Islands and Greenland subject to any variations necessitated by the circumstances prevailing in the Faeroe Islands and Greenland.

Issued at Christiansborg Palace, 8 June 2017.

Under Our Royal Hand and Seal

MARGRETHE R.

/ Brian Mikkelsen