



*Before printing this document, please be aware of its size!*

*Regarding the provisions quoted in the response below, as far as possible, hyperlinks to these provisions (in the respective language or, if available, in English) are set out in Document CESR/04-075 for each country.*

#### **IMPORTANT NOTICE**

*In the interest of transparency and to inform interested parties, CESR has published the following (together the “Tables”):*

- *the Correspondence Tables on the CESR Standards for Investor Protection (Ref. CESR/03-416b to 423b, CESR/03-134/Country);*
- *the Correspondence Tables on the CESR Standards for Alternative Trading Systems (Ref. CESR/03-415b, CESR/03-135/Country);*
- *the Synthesis Tables (Ref. CESR/03-427b and CESR/03-432b);*
- *the List of Alternative Trading Systems currently operating in Member States<sup>1</sup> (Ref. CESR/03-497b);*
- *the explanatory notes and caveats attached to the Tables.*

*The Tables were produced by the Members of CESR<sup>1</sup> within the constraints of and solely for the purposes of the CESR Review Panel process of monitoring the status of implementation of the CESR Standards for Investor Protection<sup>2</sup> and the CESR Standards for Alternative Trading Systems<sup>3</sup> in Member States.*

*The Tables have no legal effect; they do not present any interpretation of, or definitive position on, existing law or regulation in any jurisdiction. The Tables should not be relied upon for any purpose other than the purpose for which they were prepared. In particular, they should not be relied upon as a substitute for, or as guidance on, any aspect of the regulatory system of any Member State or as a defence in supervisory activities or enforcement proceedings; and they cannot be used to restrict competent authorities in taking regulatory or enforcement actions.*

*The information set out in the Tables is the response of each Member’s self-assessment. For this reason, the content of the Tables regarding a particular Member State has been prepared solely by the relevant Member on a best-efforts basis. (In a next step, the CESR Review Panel is going to conduct a common and collective peer exercise in reviewing the responses from all Members.) In case of discrepancy between the tables containing the responses from all CESR Members and the tables containing the individual responses from a particular CESR Member, the latter should be referred to.*

*The Tables provide a “snap shot” and will be up-dated on a regular basis to take account of regulatory developments in Member States. Therefore, they cannot be considered as fully finalised or definitive reflections of regulatory provisions in Member States. The Tables should also be read in light of current and future developments in the formulation of the proposed Directive on Markets in Financial Instruments (“ISD2”) and the future Level 2 implementing measures, and without prejudice to the position of any Member State in those developments.*

*For a more detailed account of the process, methodology and first, interim results, please see the “First Interim Report” by the Review Panel (Ref. CESR/03-414b).*

<sup>1</sup> For reasons of simplicity, the term “Member” in this context refers to all participants in the Review Panel, i.e. CESR Members, CESR Observers, and the Polish securities regulators; this applies to the term “Member State” accordingly.

<sup>2</sup> “A European Regime of Investor Protection - The Harmonization of Conduct of Business Rules” (Ref. CESR/01-014d, April 2002) and “A European Regime of Investor Protection – The Professional and the Counterparty Regimes” (Ref. CESR/02-098b, July 2002).

<sup>3</sup> Ref. CESR/02-086b, July 2002.



THE COMMITTEE OF EUROPEAN SECURITIES REGULATORS

Ref. CESR/03-135

Correspondence Table on Standards for Alternative Trading Systems  
(Ref. CESR/02-086b)

FINLAND

Standard	Implementing authority(ies)	Implementing measure	Comments
----------	-----------------------------	----------------------	----------



<p><b><i>1. Investments firms should be required by their home state regulatory authority to notify the establishment of a qualifying system. They should also notify the home state regulatory authority (and, where different, the home state regulatory body in that member state responsible for the oversight of markets) of its key features and significant changes to its operation.</i></b></p>	<p>Provisions applicable to 'another trading procedure organised on a professional basis' (hereinafter Another Trading Procedure) in the Finnish Securities Markets Act (hereinafter the SMA) are enacted by the Parliament.</p> <p>The Act on Credit Institutions and the Act on Investment Firms are also enacted by the Parliament.</p> <p>The Decrees on the Content of the Applications for Authorisation of an Investment Firm and of a Credit Institution are enacted by the Ministry of Finance (hereinafter MoF) under the respective Parliament acts.</p> <p>Compliance with the Parliament acts and provisions issued thereunder, as well as compliance with the rules, regulations and contract terms relating to Another Trading Procedure in securities is supervised by the Financial Supervision Authority (hereinafter Rahoitustarkastus).</p>	<p>Chapter 3, Section 16, Paragraph 2 of the SMA requires the organiser of Another Trading Procedure to notify the Financial Supervision Authority (hereinafter Rahoitustarkastus) of the rules of its trading procedure and any amendments thereto prior to their entry into force. Please see the minimum content requirements applicable to the rules of Another Trading Procedure below (implementing measures in relation to Standard 2).</p> <p>Under Section 9, Paragraph 6 of the Act on Investment Firms, a firm applying for an investment firm status must provide Rahoitustarkastus with all the information required by the MoF Decree on the Content of the Applications for Authorisation of an Investment Firm. The Decrees cover, among other things, the topics listed in the CESR Commentary on Standard 1.</p> <p>Furthermore, Section 15 Section 2 of the Act on Financial Supervision Authority (hereinafter FSA Act) empowers Rahoitustarkastus to require – on an ad hoc basis - supervised entities, including investment firms, credit institutions and stock exchanges, to provide whatever information Rahoitustarkastus deems necessary for the performance of its duties.</p>	<p>Scope of the Implementing Measures:</p> <p>In addition to investment firms and credit institutions, authorised stock exchanges may also organise Another Trading Procedure (cf. the CESR Commentary on Definition and Differentiation).</p> <p>The provisions on Another Trading Procedure only apply to trading in 'securities' as defined by Chapter 1, Section 2 of the SMA. However, according to Chapter 3, Section 16, Paragraph 1 of the SMA trade may not be carried out in Another Trading Procedure in securities subject to the public trade referred to in Chapter 1, Section 3 of the SMA (i.e. Finnish regulated markets).</p> <p>The SMA itself does not specifically define Another Trading Procedure, but some guidance can be found in the governmental bill. The guidance, however, implies some deviations from the definition of ATS in the CESR standards, summarised as follows:</p> <ul style="list-style-type: none"> <li>• The bill also refers to 'multilateral' systems but implies that a system in which the organiser enters into every trade as a counterparty may also constitute Another Trading Procedure (cf. the CESR Commentary on Definition and Differentiation)</li> <li>• The bill implies that a crossing network may not be regarded as Another Trading Procedure (cf. the CESR Commentary on Definition and Differentiation).</li> <li>• The bill characterises Another Trading Procedure (as distinct from brokerage or dealing) as an automated matching system which brings interests together in such a way that results in an irrevocable contract. Since the CESR Definition intends to cover 'any process' instead of automatic matching and includes all electronic and non-electronic parts of a system, the scope of the provisions applicable to Another Trading procedure may not cover all qualifying systems.</li> </ul>
--	---	---	--



<p><b><i>2. Investment firms operating a qualifying system should establish trading arrangements that result in fair and orderly trading.</i></b></p>	<p>The Parliament (see Standard 1 above) Rahoitustarkastus (see Standard 1 above)</p>	<p>Chapter 3, Section 13, Paragraph 1 and Section 16, Paragraph 2 of the SMA require the organiser of Another Trading Procedure to publish rules including regulations at least on the following issues:</p> <ol style="list-style-type: none"> <li>1) the manner and grounds for the admission of a security to trade;</li> <li>2) the manner and time of trade;</li> <li>3) the manner, time and extent to which the information relating to the orders or quotes and transactions is made available to the investors and the securities intermediaries and other operators participating in the trading;</li> <li>4) the manner and grounds for the granting and revocation of the rights of a securities intermediary, another party and a broker;</li> <li>5) the type of demands, rights and duties otherwise imposed on the issuers of securities and their management, securities intermediaries, other parties and brokers for fulfilling the duties based on the SMA and the rules of Another Trading Procedure or otherwise;</li> <li>6) the person or persons responsible for the arrangement of trading;</li> <li>7) the manner in which the equality of the shareholders is safeguarded if a limited liability company may, in Another Trading Procedure, trade in its own shares; as well as</li> <li>8) the manner of attending to the supervisory duties belonging to the organiser of Another Trading Procedure under the law.</li> </ol> <p>The rules shall also indicate the manner of amending the rules of trading and the manner in which the parties to the trading procedure shall be notified of any amendments to the rules prior to their entry into force.</p>	<p>Provisions on conduct of business laid down by Chapter 4 of the SMA in force, and enacted in order to e.g. implement Article 11 of the ISD, apply to Another Trading Procedure only in case where the organiser of Another Trading Procedure is an investment firm or a credit institution (see also Comments in relation to Standard 1 above).</p>
---	---	---	--



<p><b><i>3. An investment firm operating a qualifying system providing trading in an instrument traded on a regulated market must make publicly available, on a reasonable commercial basis, information about quotes and/or orders that the qualifying system displays or advertises to the system users. Similarly, operators must make publicly available, on a reasonable commercial basis, information relating to completed transactions that the system provides to users.</i></b></p>	<p>The Parliament (see Standard 1 above) Rahoitustarkastus (see Standard 1 above)</p>	<p>Chapter 3, Section 13, Paragraph 1 of the SMA requires, as already cited above, that the rules of Another Trading Procedure include regulations on:</p> <ul style="list-style-type: none"> <li>the manner, time and extent to which the information relating to the orders or quotes and transactions is made available to the investors and the securities intermediaries and other operators participating in the trading;</li> </ul> <p>Furthermore, Chapter 3, Section 16, Paragraph 1 of the SMA specifically stipulates that trade in securities may be carried out in Another Trading Procedure only when the availability of information relating to the issuer and trade in securities is ensured in a sufficient way.</p>	
<p><b><i>4. Investment firms operating a qualifying system should monitor user compliance with the contractual rules of the system.</i></b></p>	<p>The Parliament (see Standard 1 above) Rahoitustarkastus (see Standard 1 above)</p>	<p>Chapter 3, Section 16, Paragraph 3 of the SMA requires the organisers of Another Trading Procedure to ensure that adequate and reliable supervision is arranged in order to safeguard compliance with the acts and regulations as well as with the rules of the trading procedure and proper practice within the trading procedure. In addition, Paragraph 3 specifically stipulates that the organisers must submit to Rahoitustarkastus a description of their monitoring systems as well as of their system for the collection and storage of information on transactions.</p>	



<p><b>5. Investment firms operating a qualifying system should, where their home state regulatory authority requires it for the purposes of investor protection and market integrity, establish arrangements with that authority to facilitate satisfactory monitoring of the markets in the instruments traded and the detection of market abuse.</b></p>	<p>The Parliament (see Standard 1 above)</p> <p>Rahoitustarkastus (see Standard 1 above)</p>	<p>The requirement in Chapter 3, Section 16, Paragraph 3 of the SMA 'to ensure that adequate and reliable supervision is arranged in order to safeguard compliance with the acts and regulations as well as with the rules of the trading procedure and proper practice within the trading procedure' (see above implementing measures in relation to Standard 4) covers not only contractual rules but also the detection of market abuse and other financial crimes.</p>	<p>The SMA provisions in force do not specifically stipulate that the operators are obliged to supply information to the regulator, i.e. Rahoitustarkastus, on their own initiative. Again, on an ad hoc basis, Rahoitustarkastus may require supervised entities to provide whatever information Rahoitustarkastus deems necessary for the performance of its duties.</p>
<p><b>6. Investment firms operating a qualifying system should be able to demonstrate to the relevant home state regulatory authorities that the system is capable of delivering the proposed service, that there are satisfactory arrangements for the management of the technical operation of the system and that there are satisfactory contingency arrangements in the event of system disruption.</b></p>	<p>The Parliament (see Standard 1 above)</p> <p>Rahoitustarkastus (see Standard 1 above)</p> <p>In addition, the Parliament acts, referred to above, empower Rahoitustarkastus to issue binding rules on internal control and risk management as well as reliable administration for investment firms and credit institutions.</p>	<p>These issues in relation to the organisers of Another Trading Procedure are not directly addressed by the SMA or any other act. However, the licensing requirements and the provisions on establishment and maintenance of internal control and risk management applicable to credit institutions, and investment firms seem to fully cover the issues. For example, Section 29, Paragraph 3 of the Act on Investment Firms requires that an investment firm have adequate internal control and risk management systems vis-à-vis its operations.</p> <p>Various Regulations and Guidelines on internal control and risk management issued by Rahoitustarkastus elaborate the requirements. For example, according to the 203.28 Guideline on risk management and internal control principles as well as internal audit function of investment firms, an investment firm must have plans to assure the continuity of vital operations under all circumstances should be in place. In the event of unexpected disturbances or downtime, it should be possible to re-establish normal operation within a reasonable time. Such continuity plans should be updated and tested at regular intervals.</p>	



<p><b>7. Investment firms operating qualifying systems should ensure that there is clarity of obligations and responsibilities for the clearing (where applicable) and settlement of transactions.</b></p>	<p>The Parliament (see Standard 1 above)</p> <p>Rahoitustarkastus (see Standard 1 above)</p>	<p>In addition to the issues listed above (see Implementing measures related to Standard 2), Chapter 3, Section 16, Paragraph 2 of the SMA states that the rules of Another Trading Procedure must specify the manner in which the clearing and settlement of the transactions in securities and the safekeeping of the securities subject to the trade in Another Trading Procedure shall take place.</p> <p>Chapter 4, Section 4, Paragraph 3 of the SMA requires investment firms and credit institutions to notify clients of information on the investment service and the securities forming the object thereof which may have material effect on the decision making of the client unless this is clearly unnecessary with regard to the nature of investment service or the other circumstances. The duty does not apply when clients are professional investors.</p>	<p>Provisions on conduct of business laid down by Chapter 4 of the SMA in force, and enacted in order to e.g. implement Article 11 of the ISD, apply to Another Trading Procedure only in case where the organiser of Another Trading Procedure is an investment firm or a credit institution (see also Comments in relation to Standard 1 above).</p>
--	--	---	--



<p><b>8. Investment firms operating a qualifying system should make clear the nature of the relationship between operator and user.</b></p>	<p>The Parliament (see Standard 1 above)</p> <p>Rahoitustarkastus (see Standard 1 above)</p> <p>In addition, Rahoitustarkastus may, in order to fulfil the requirements set in the ISD, issue to investment firms and credit institutions further provisions on the procedures to be complied with by them in providing each investment service. The provisions shall take into consideration whether the client is a professional investor.</p>	<p>The requirement to publish the rules of Another Trading Procedure (see Implementing measures in relation to Standard 2) covers the issue addressed by this Standard.</p> <p>In addition, the provision on conduct of business in Chapter 4, Section 2, Paragraph 1 of the SMA state that investment firms and credit institutions must conclude a contract on the provision of investment services in writing but it is not compulsory when services are provided to a professional investor.</p> <p>Chapter 4, Section 4, Paragraph 3 of the SMA also requires investment firms and credit institutions to notify clients of information on the investment service and the securities forming the object thereof which may have material effect on the decision making of the client unless this is clearly unnecessary with regard to the nature of investment service or the other circumstances. The duty does not apply when clients are professional investors.</p>	<p>Provisions on conduct of business laid down by Chapter 4 of the SMA in force, and enacted in order to e.g. implement Article 11 of the ISD, apply to Another Trading Procedure only in case where the organiser of Another Trading Procedure is an investment firm or a credit institution (see also Comments in relation to Standard 1 above).</p>
---	--	--	--





<p><b>9. Investment firms operating a qualifying system should supply sufficient information about the system to enable a user to use the system efficiently and to understand any risks arising in using the system.</b></p>	<p>The Parliament (see Standard 1 above)</p> <p>Rahoitustarkastus (see Standard 1 above)</p> <p>In addition, Rahoitustarkastus may, in order to fulfil the requirements set in the ISD, issue to investment firms and credit institutions further provisions on the procedures to be complied with by them in providing each investment service. The provisions shall take into consideration whether the client is a professional investor.</p>	<p>Provisions on conduct of business in Chapter 4, Section 4, Paragraph 2 of the SMA require investment firms and credit institutions to notify their clients of information on the investment service and the securities forming the object thereof which may have a material effect on the decision-making of the client unless this is clearly unnecessary with regard to the nature of the investment service or to the other circumstances (including when the client is a professional investor). The Rahoitustarkastus Guideline on Practices to be Applied in the Provision of Investment Services 201.7 elaborates the contents of this duty to provide information, but the issues listed in the CESR commentary on the Standard are not directly addressed by the Guideline.</p> <p>The requirement to publish the rules of Another Trading Procedure also covers some of the issues addressed by this Standard (see above Implementing measures in relation to Standard 2).</p> <p>Furthermore, Chapter 13, Section 17 of the SMA includes a specific provision which prohibits marketing of trading procedures referred to in the SMA by issuing false or misleading information or by using a procedure in violation of proper practice or a procedure that is otherwise improper.</p>	<p>The remaining details addressed by the Standard are going to be implemented in the process of revising the Rulebook (i.e. Regulations and Guidelines) of Rahoitustarkastus. The revision of the relevant rules on conduct of business is expected to be finalised in the course of 2004.</p>
---	--	--	---



<p><b><i>10. Investment firms operating a qualifying system should provide, or be satisfied that there is access to, sufficient publicly available information to enable users to form an investment judgement, taking into account both the nature of the users and the type of instruments traded.</i></b></p>	<p>The Parliament (see Standard 1 above)</p> <p>Rahoitustarkastus (see Standard 1 and 9 above)</p>	<p>This requirement is not directly addressed in the conduct of business rules in force; but as already said above (see Implementing measures in relation to Standard 3), Chapter 3, Section 13, Paragraph 1 of the SMA requires that the rules of Another Trading Procedure include regulations on:</p> <ul style="list-style-type: none"> <li>• the manner, time and extent to which the information relating to the orders or quotes and transactions is made available to the investors and the securities intermediaries and other operators participating in the trading;</li> </ul> <p>In addition, Chapter 3, Section 16, Paragraph 1 of the SMA specifically stipulates that trade in these securities may be carried out in Another Trading Procedure only when the availability of information relating to the issuer and trade in securities is ensured in a sufficient way.</p>	
--	--	--	--