

1. INTRODUCTION AND BACKGROUND

- 1.1 The Danish Association of Asset Management and Investment Firms ("**DAAIF**") (in Danish: *Den danske Fondsmæglerforening*) is currently in a dialogue with the Danish FSA (in Danish: *Finanstilsynet*) and the Danish Ministry of Industry, Business and Financial Affairs regarding the transposition into Danish law of Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms ("**IFD**"). So far, the Danish FSA and the ministry have taken the position that the current national regulation of investment firms will be continued under the future regime for Danish investment firms, unless specifically regulated by the IFD or Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms ("**IFR**"). The Danish regulation has for historical reasons partly been based on requirements to Danish credit institutions derived from Directive 2013/36/EU ("**CRD**").
- 1.2 In order to support its dialogue with the Danish authorities, the DAAIF is interested in gaining insight into the expected national transposition of the IFD into the national law of comparable EU member states. In particular, the DAAIF is interested in understanding whether elements of gold-plating are expected in the regulation of investment firms authorised in your jurisdiction. The DAAIF does not require information on the national transposition of rules applicable to foreign investment firms with an establishment in our jurisdiction.

2. THE QUESTIONNAIRE

- 2.1 As a start, we kindly ask you to provide high level answers to the questions. If a subject or the reply is of particular interest to the DAAIF, we might at a later stage ask you to provide more in-dept answers if available.
- 2.2 We appreciate that answers at this point in time may be uncertain. We therefore kindly ask you to assess the degree of probability and, if you deem this relevant, to add the source of information. Our client is interested in information from sources which you deem reliable even if no official confirmation can be provided.
- 2.3 Please note that we do not need description in relation to investment firms which pursuant to Article 1(2) of the IFR will be regulated by the CRD.
- 2.4 In case of questions, please do not hesitate to contact Camilla Søborg, casb@kromannreumert.com.

3. DEADLINE

- 3.1 We kindly ask you to provide your answers by 5 October 2020.

QUESTIONNAIRE REGARDING THE NATIONAL TRANSPOSITION OF IFD AND GOLDPLATING OF THE IFD AND THE IFR

Question No	Topic	Question	Relevant provision of the IFD/IFR	Reply	Degree of probability (high/medium/low)
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4.	Current regulation of investment firms	Please provide a high-level description of the current framework for the regulation of investment firms in your jurisdiction. Please include references to the most important pieces of regulation.		The main current framework for the regulation of investment firms in Sweden is the Securities Markets Act of 2007, as amended (Sw. <i>lagen</i> [2007:528] <i>om värdepappersmarknaden</i>) which implements Directive 2014/65/EU ("MiFID II") together with the Governments Ordinance on the Securities Markets of 2007 (Sw. <i>förordning</i> (2007:572) <i>om värdepappersmarknaden</i>). The Swedish Financial Supervisory Authority ("FSA") has also issued regulations in relation to investment services firms through Regulations (FFFS 2017:2) regarding investment services and activities (Sw. <i>Finansinspektionens föreskrifter</i> (FFFS 2017:2) <i>om värdepappersrörelse</i>), also implementing the MiFID II. In addition to the above, certain capital requirements and group requirements for credit institutions but also investment firms are regulated in the Act on Special Supervision of Credit Institutions and Investment Firms of 2014 (Sw. <i>lag</i> (2014:968) <i>om särskild tillsyn över kreditinstitut och värdepappersbolag</i>) as well as the Act on Capital Buffers of 2014 (Sw. <i>lag</i> (2014:966) <i>om kapitalbuffertar</i>) as well as certain regulations issued by the FSA, in all respects complementing or implementing certain parts of the CRR and the CRD-frameworks. In addition there are several acts and regulations applicable on investment firms such as the AML-framework and regulations on remuneration, and internal governance and control as well as specific areas within risk management and certain governmental acts regarding investor protection.	
5.	General framework of transposition				
5.1	Timing of transposition	When do you expect the transposition of the IFD to take place in your jurisdiction?	IFD Article 67(1)	Main part on 26 June 2021	
5.2	Mode of transposition	How is the transposition expected to take place (e.g. act or regulation)		Through amendments to the current framework described in item 1 above, in particular through amendments to the Securities Markets Act	

Question No	Topic	Question	Relevant provision of the IFD/IFR	Reply	Degree of probability (high/medium/low)
		issued by the competent supervisory authority)?		of 2007 and regulations issued by the FSA, as well as the Act on Special Supervision of Credit Institutions and Investment Firms of 2014 and the Act on Capital Buffers of 2014.	
5.3	Degree of continuity of regulation	Will the transposition be made as changes to existing regulation or in the format of new regulation?		Amendments, please see above in item 2.2.	
5.4	Degree of alignment with the IFD/IFR	Is the transposition generally expected to follow the wording and/or content of the IFD or do you expect any gold-plating (including, if relevant, any regulation additional to the IFR)?		The transposition is generally expected to follow the wording and/or content of the IFD.	
5.5	Timing of draft regulation	Is the draft regulation transposing the IFD available (in full or partially) or alternatively an outline of the intended transposition? If so, please provide the draft or outline as available. If these are not available, please state when drafts are expected.		The Government's inquiry has presented its consultation paper on the proposed legislative amendments, New capital requirements for investment firms, March 2020 (Sw. <i>Nya kapitalkäkningsregler för värdepappersbolag, SOU 2020:12</i>), the "CP". The draft legislative proposal is expected to be presented by the Government to the Parliament in December 2020 (and possibly in November 2020 to the Council of Legislation, Sw. <i>lagrådet</i>)	
6.	Regulation of areas of particular interest				
6.1	Parent undertakings and groups	Do you expect regulation of parent undertakings which are not themselves investment firms, and regulation of groups including investment firms which is additional to the regulation included	IFR Articles 7 and 8	Yes	

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		IFD/IFR?			
6.2	Management and governance	Do you expect regulation of management and governance of investment firms which is additional to the regulation included in IFD/IFR and MiFID II? Please include in your answer information on the regulation of outsourcing, if available.	IFD Articles 26, 28 and 29	Generally no, and in particular no in relation to the amendments proposed in the CP. In relation to outsourcing Chapter 8 Section 22 of the Securities Markets Act implements Article 16.5 of the MiFID II. No additional direct requirements in relation to outsourcing apply in addition to the requirements set forth in the MiFID II (the Commission Delegated Regulation (EU) 2017/565).	
6.3	Remuneration	Do you expect regulation of investment firms' remuneration to management and staff which is additional to the regulation included in IFD/IFR and MiFID II?	IFD Articles 30-34 IFR Article 51	Generally no. The CP proposes for example that the current provision in Chapter 8, Section 8 f is repealed, the provision stated that "The variable compensation to an employee whose function or total compensation level entails that he or she has a material impact on a securities company's risk profile may not exceed the fixed compensation."	
6.4	Good business practice	Do you expect regulation of investment firms' duty to act honestly, fairly and professionally which is additional to the regulation included in MiFID II?	N/A	Generally no.	