

# Surveillance and Enforcement

**February 2007**

## **Stockholm Stock Exchange**

The Disciplinary Committee of the Stockholm Stock Exchange (SSE ) has fined Svenska Handelsbanken AB one annual fee, corresponding to SEK 3 million since the bank has been found to have contravened the listing agreement of the SSE by not handling price-sensitive information correctly.

The Disciplinary Committee has established that the bank's report on the third quarter of 2006 became available externally about 15 minutes before being released in the prescribed manner. In similar cases from 2003, the Disciplinary Committee found that the clause in the listing agreement prohibiting the release of price-sensitive information in any manner other than through correct disclosure also applies to the unintentional release of information. Because the report was made available on the Internet with an address that was easy to work out, it was concluded that the bank had released the information.

One membership firm has been criticized in a case concerning its placing of orders in the call auction interaction at the end of the trading day. A total of 14 orders were placed by the member and several were placed at a price that deviated substantially from the last traded price in the regular trading session. These orders lead to a closing price that deviated considerably from the pricing of the shares during the trading day.

Eight cases of suspected market abuse have been handed over to the Swedish Financial Supervisory Authority. All of these cases concerned suspected illegal insider trading in different situations.

The trading in the shares of Sardus AB was suspended due to a public offer to the shareholders in the company and for the same reason the company was thereafter placed on the observation segment.

Wise Group AB was placed on the observation segment since the company had announced a planned significant change of the company's line of business.

## **Helsinki Stock Exchange**

One company was criticized for not having delivered a stock exchange release simultaneously to the stock exchange as to the media.

Another company was criticized for giving previously undisclosed information during the Annual General Meeting. The company disclosed the information to the market by a stock exchange release during the next trading day.

During the month, one case of possible abuse of insider information was handed over to the Finnish Financial Supervisory Authority.

The shares of FIM Group Oyj were transferred to the observation segment since Glitnir banki h.f. had announced its intention to acquire the outstanding shares in FIM Group Corporation, and other securities entitling to such shares through a public tender offer. KEMET Corporation and Evox Rifa

Group (Evox) has entered into a combination agreement whereby KEMET will make a public tender offer to acquire all of the outstanding shares in Evox. This action from KEMET would have resulted in that the shares of Evox were to be placed on the observation segment. The shares of Evox were however already placed on the observation segment due to low share price and thus there is now an additional reason behind the observation status of the shares in Evox.

The shares of Finnlines Oyj were removed from the observation segment since the public tender offer from Grimaldi Compagnia di Navigazione S.p.A had ended.

#### **Copenhagen Stock Exchange**

Orion A/S was transferred to the observation segment due to the fact that the company had announced that the board of directors has decided to investigate the possibility of divesting the company's business.

#### **Icelandic Stock Exchange**

One company was criticised for not disclosing to the market in a timely manner a decision made by its board to increase the company's share capital.

#### **Tallinn Stock Exchange**

One member firm was criticised regarding the fulfilment of its Market Maker obligations. The Market Maker's orders didn't cover all of the trading time and the orders were placed up to 20 minutes after the continuous trade had started.

#### **Riga Stock Exchange**

Nothing to report

#### **Vilnius Stock Exchange**

The Vilnius Stock Exchange (VSE) has issued criticisms towards two exchange members. The first issue concerned a case where an exchange member violated the requirements of the Trading Rules by not specifying client codes (ID's) in the trading orders. The second issue concerned a case where manual trades were concluded for less than established minimum volume of shares.

The VSE imposed minor fines to four members that had violated the Trading rules and failed to ensure a sufficient amount of securities and (or) cash for settlement of transactions concluded on the VSE.

#### **First North**

No cases