



# **Rules of Nasdaq Nordic for Warrants and Certificates**

**19 November 2021**

# TABLE OF CONTENTS

1.	INTRODUCTION.....	3
1.1	Applicability.....	3
1.2	Amendments to the rules.....	3
1.3	Waivers.....	3
1.4	Discretion of the Exchange to decide upon admission of warrants.....	4
2.	ISSUER REQUIREMENTS.....	4
2.1	Requirements concerning the issuer of warrants.....	4
2.2	Provision of information or documents.....	5
3.	REQUIREMENTS FOR WARRANTS.....	5
3.1	Requirements concerning the underlying instrument of the warrant.....	6
3.2	Requirements concerning the admission of new warrants to trading on the Exchange.....	6
3.3	Documentation for each new issue.....	7
3.4	Recalculation and adjustment of terms of warrants.....	7
3.5	Delisting.....	8
4.	DISCLOSURE RULES.....	8
4.1	Disclosure of inside information (General provision).....	8
4.2	Other disclosure requirements.....	8
5.	LISTING FEES.....	9
6.	SANCTIONS.....	9
	APPENDIX 1.....	10
	Sanctions – Nasdaq Copenhagen.....	10
	APPENDIX 2.....	11
	Sanctions – Nasdaq Helsinki.....	11
	APPENDIX 3.....	12
	Sanctions – Nasdaq Stockholm.....	12

# WARRANTS AND CERTIFICATES

## 1. INTRODUCTION

Covered warrants, certificates and other similar structured products (hereinafter collectively referred to as "warrants") can be admitted to trading on a segment, called Nasdaq NSDX, at Nasdaq First North Denmark, Finland and Sweden<sup>1</sup> if the instrument and the issuer fulfil the terms and conditions mentioned below and if the instrument, in the reasonable opinion of Nasdaq Copenhagen A/S, Nasdaq Helsinki Ltd or Nasdaq Stockholm AB (hereinafter individually or collectively referred to as the "Exchange"), is suitable for trading.

In order to simplify the application of these rules the rule text is sometimes followed by guidance. The guidance text is written in *italic*, and is not binding for the issuer and represents the Exchange's interpretation of current applicable practice.

Trading on this segment is conducted in accordance with the relevant provisions of the Nordic Member Rules.

### 1.1 Applicability

These rules shall apply to the issuer of warrants as of the day the issuer signs an undertaking in which the issuer agrees to abide by all rules and guidelines of the Exchange, as amended from time to time, together with all other commitments made to the Exchange (see Appendix 1) for such time as the issuer's warrants are admitted to trading on the Exchange. The rules regarding sanctions (see Chapter 7 and the Appendices) are however applicable after a delisting, in case a violation was committed during the period the issuer had warrants admitted to trading on the Exchange.

### 1.2 Amendments to the rules

Amendments to these rules or the appendices shall enter into force in appropriate time after the Exchange has notified the issuer in an appropriate manner and after the amendments have been published on the Exchange's website.

### 1.3 Waivers

**1.3.1** The Exchange may approve an application for admission to trading on the Exchange, even if not all the requirements set out in sections 2 and 3 below are fulfilled, if it is satisfied based on documentary evidence:

---

<sup>1</sup> Nasdaq First North is an MTF, as defined in EU legislation (as implemented in national law), and the Nasdaq NSDX segment is not registered as a SME growth market, as defined in EU legislation (as implemented in national law).

- (a) that the objectives behind the relevant requirements for issuers or warrants and any relevant statutory requirements are not compromised, or
- (b) that the objectives behind the requirements for issuers or warrants can be achieved by other means.

**1.3.2** The Exchange will under no circumstances waive the requirement for certification from the relevant supervisory authority to act as a credit institution or investment firm set out in 2.1.2 below.

*The requirement for certification from the relevant supervisory authority to act as a credit institution or investment firm set out in 2.1.2 below is seen by the Exchange as very important in light of the benefits provided by regulatory supervision in regard to aspects such as solvency, internal controls, and risk management. For this reason, the Exchange will not waive the said requirement.*

#### **1.4 Discretion of the Exchange to decide upon admission of warrants**

The Exchange may at its discretion, in cases where all requirements are fulfilled, refuse an application to become an issuer or an application for admission of warrants to trading, or otherwise postpone an approval of such an application. A refusal may occur, for example, if the Exchange considers that the approval of such an application would be detrimental for the market for warrants or for investors' interests.

## **2. ISSUER REQUIREMENTS**

### **2.1 Requirements concerning the issuer of warrants**

**2.1.1** An issuer must meet all conditions set out in this Section 2.1 in order to be approved as an issuer of warrants on the Exchange.

**2.1.2** The issuer shall be a credit institution or an investment firm established under applicable legislation of an EEA state and shall be licensed to act as such by the competent supervisory authority in EEA. The issuer shall in this regard demonstrate to the Exchange that it:

- a) is certified by the relevant supervisory authority to act as a credit institution or investment firm, in accordance with Article 5 of Directive 2014/65/EU;
- b) has own funds that satisfy the requirements set out in Article 92 of Regulation (EU) No. 575/2013; and
- c) complies with the requirements regarding management and organizational requirements set out in Articles 9 and 16 respectively of Directive 2014/65/EU, including for example having in place adequate policies, procedures and secure technical, reporting and monitoring systems, arrangements to handle conflicts of interest, sound administrative and

accounting procedures, and internal control mechanisms.

**2.1.3** If the issuer is a third country issuer, it shall be satisfactorily supervised and authorized by an authority or other competent body being responsible for the regulation of credit institutions, investment firms and similar firms carrying on its activities relating to warrants within the approved scope of its business. Alternatively, such third country issuer shall otherwise be approved by the competent supervisory authority in Denmark, Finland or Sweden.

*A third country issuer will be considered to be satisfactorily supervised and authorized where it can demonstrate to the Exchange that such supervision and authorization meets equivalent standards in all respects as set out in Section 2.1.2 items (a) to (c) above.*

**2.1.4** The issuer shall demonstrate to the Exchange that it has three years of audited financial history.

**2.1.5** The issuer shall at time of application for admission to trading submit to the Exchange:

- (i) an extract from the issuer's relevant register or a similar legally binding document stating the internal delegation of the decision-making concerning issuance of warrants as well as the list of people being authorized to apply for issuance of warrants;
- (ii) a signed undertaking in which the issuer agrees to abide by all rules and guidelines regarding warrants established by the Exchange (see Appendix 1), as amended from time to time, together with all other commitments made to the Exchange;
- (iii) the decision to become an issuer on the Exchange, signed by the members of the board or person(s) authorized to sign for the issuing firm, and
- (iv) a certificate of incorporation.

## **2.2 Provision of information or documents**

**2.2.1** All issuers are under an obligation to inform the Exchange immediately in case of a change in circumstances having a material impact on any of the items set out in section items 2.1 above.

**2.2.2** An issuer shall, upon request by the Exchange submit any information or documentation which the Exchange deems necessary in order to monitor and ensure compliance with these rules and in order to fulfil its obligations pursuant to applicable law.

**2.2.3** If an Issuer intends to disclose information that is assumed to be of extraordinary importance for the Issuer, the Issuer shall notify the Exchange as soon as practically possible before the information is disclosed.

## **3. REQUIREMENTS FOR WARRANTS**

The Exchange may, upon application by the issuer, decide to admit warrants to trading. All requirements for warrants set out in this Section 3 shall be fulfilled in order for an application to be approved by the Exchange. Trading in warrants commences on a date determined by the Exchange. Trading in warrants terminates on a date determined by the Exchange.

### **3.1 Requirements concerning the underlying instrument of the warrant**

**3.1.1** If the underlying instrument of a warrant is a security, the price of the underlying must be reliable and publicly available, unless the underlying instrument will be admitted to public trading at the same time as the warrant (in which case the Exchange needs to be satisfied that the price of the underlying will be reliable and publicly available when it becomes admitted to public trading).

*If the underlying is traded on the Exchange, it will be considered to have a reliable and publicly available price. If the underlying is traded on another regulated market or a multilateral trading facility (MTF), it will normally be considered to have a reliable and publicly available price. Public availability and reliability of prices of underlyings traded on venues other than a regulated market or MTF will be assessed by the Exchange on a case-by-case basis.*

**3.1.2** If the underlying instrument of a warrant is a raw material, another commodity or some type of interest, the price or other value measure of the underlying must be reliable and publicly available.

**3.1.3** If the underlying instrument of a warrant is an index or other indicator, the price or value measure of the index or indicator must be reliable and publicly available.

**3.1.4** If the underlying instrument of a warrant is a derivative instrument based on any of the underlying assets noted above, the design of the derivative instrument must be clear and allow for its orderly pricing. Such a derivative instrument shall be publicly traded on a regulated market or an MTF or the scope of trading shall otherwise permit reliable and public price information with respect to the derivative instrument.

**3.1.5** The issue size of any warrant or certificate having a commodity as its underlying must not exceed 2.5 million units.

### **3.2 Requirements concerning the admission of new warrants to trading on the Exchange**

**3.2.1** Warrants may be admitted to trading if it is likely that sufficient demand and supply will exist in order to facilitate a reliable price formation process.

**3.2.2** All warrants that are part of the same issue shall be included in the application.

**3.2.3** The warrants shall be freely negotiable.

**3.2.4** Warrants to be admitted to trading shall be described in a prospectus, which has been approved by the competent authority of an EEA state in accordance with the local legislation. The issuer shall publish the prospectus and make it available to the public in accordance with the local legislation. The issuer shall also publish the final terms and conditions, if applicable.

**3.2.5** The issuer is responsible for quoting and disclosing binding bid and ask prices for warrants admitted to trading.

**3.2.6** The issuer shall engage a market maker in order to carry out the obligation set out in Section 3.2.5. The market maker's obligations, including obligations to quote bid and ask prices, are governed by a separate market making agreement with the Exchange.

**3.2.7** If the issuer ceases to fulfill the obligation set out in Section 3.2.5, it shall immediately notify the Exchange and, as soon as possible, provide information regarding the reasons for this on its website.

**3.2.8** The issuer of warrants is responsible at all times for settlement of the trades. The warrants shall be cleared and settled via arrangements for post-trading services through the Exchange's clearing and settlement arrangements or via a Central Securities Depository chosen by the issuer.

### **3.3 Documentation for each new issue**

Prior to each new issue of warrants the issuer shall provide the Exchange with the following documentation:

- (i) A copy of the final terms for the warrants. The final terms shall be filed with the relevant competent supervisory authority;
- (ii) A formal application signed by a person authorized to sign for the issuing firm, for admission of the relevant warrants to trading; and
- (iii) A listing form with basic data for the warrants containing all relevant information concerning the warrants to be admitted to trading.

### **3.4 Recalculation and adjustment of terms of warrants**

**3.4.1** If a company, whose shares or depository receipts are the underlying instruments of a warrant, makes a decision which may have a concentrating or diluting effect on the underlying instrument, the terms of the warrant shall be adjusted. The issuer is responsible for making the necessary adjustments and recalculations for the warrants in accordance with terms and conditions (stated in the issuer's prospectus, if applicable). If the underlying instrument consists of other assets than a share, a basket of shares or an index, the same requirement shall apply for events which affect the valuation of such assets.

**3.4.2** The issuer shall inform the Exchange of all planned adjustments and recalculations

concerning the issuer's warrants that are admitted to trading. For every adjustment or recalculation an announcement shall be published as soon as possible.

**3.4.3** All adjustments and recalculations regarding an issuer's warrants admitted to trading at the Exchange shall be published on the issuer's website.

## **3.5 Delisting**

**3.5.1** The Exchange may, based on the application by an issuer for termination of trading, decide that trading in a warrant will be terminated, if the decision will not result in any significant harm to investors or to orderly operation of the markets. The Exchange may set conditions for the termination of trading.

**3.5.2** The Exchange may, at its own initiative, decide that trading in a warrant will be terminated. This decision may be made if the warrant or its issuer no longer fulfils listing requirements or other Exchange rules and if the decision will not result in any significant harm to investors or to orderly operation of the markets. The Exchange may set conditions for the termination of trading. The issuer of the warrant in question must be provided with the opportunity to be heard before a decision is made to terminate trading.

## **4. DISCLOSURE RULES**

### **4.1 Disclosure of inside information (General provision)**

The issuer shall disclose inside information in accordance with Article 17 of the Market Abuse Regulation ("MAR").<sup>2</sup>

### **4.2 Other disclosure requirements**

#### **4.2.1 Introduction**

This Section 4.2 contains disclosure requirements set by the Exchange. Information to be disclosed in accordance with these sections shall, regardless if considered inside information, be disclosed in the same manner as inside information in Section 4.1, unless otherwise stated.

#### **4.2.2 Financial reports**

The issuer shall prepare and disclose, including on the issuer's webpage, annual financial reports and half-yearly financial reports in accordance with accounting legislation and regulations applicable to issuers with warrants admitted to trading on a MTF.

#### **4.2.3 Disclosure considered necessary to provide fair and orderly trading**

---

<sup>2</sup> Regulation (EU) No 596/2014.



If the Exchange considers that special circumstances exists that results in substantial uncertainty regarding the warrant issuer or the pricing of the issuer's financial instruments and additional information is required in order for the Exchange to be able to provide fair and orderly trading in the issuer's financial instruments, the Exchange can require the issuer to disclose necessary information.

*This rule applies whether or not certain information is considered inside information. By requiring a warrant issuer to disclose additional information the Exchange may be able to give, or avoid giving, the issuer's financial instruments observation status or to avoid suspending trading in the financial instruments when special circumstances exists that results in substantial uncertainty regarding the issuer or the pricing of the admitted financial instruments.*

## **5. LISTING FEES**

An issuer will be required to pay fees to the Exchange as defined in the price list of the Exchange.

## **6. SANCTIONS**

If the issuer fails to comply with these rules, applicable legislation, or any undertakings it has made to the Exchange, imposition of sanctions will be decided upon by the relevant instance of the Exchange as described in Appendices 1 to 3.

## APPENDIX 1

### Sanctions – Nasdaq Copenhagen

In the event that an issuer fails to meet requirements, according to this set of rules, the Exchange may give the issuer a reprimand. Moreover, the Exchange may give an issuer a fine of up to three times the annual trading fee, however, not less than DKK 25,000 and not more than DKK 1 million. Where special cause exists, the Exchange may decide to remove the Issuer's financial instruments from admittance to trading. Decisions made by the Exchange concerning a reprimand or a fine are published with the identity of the issuer. In cases with less serious reprimands or where special circumstances apply, the Exchange can choose not to publish the identity of the issuer.

*If an issuer fails to meet requirements, according to this set of rules, the Exchange will generally give the Issuer a direct reprimand, and this reprimand will be published with the identity of the issuer.*

*The identity of the Issuer will in principle only be published if the issuer has received a reprimand. Thereby the Exchange can provide an opinion and find a situation regrettable without this leading to a publication of the issuer's identity, but where the case will be described in anonymous form.*

*Elements such as no continuity between announcements published or misleading of the market might be included in the choice of sanctions. If it can be established that the issuer has intended to conceal essential information from the market or place facts in a more favorable light, etc., this may be an aggravating factor, not only when the form of sanction is to be chosen, but also when the amount of a fine is to be fixed. Where special cause exists, the Exchange may decide to remove the issuers' securities from admittance to trading, also see rule 2.9. Persistent violations may result in publication of a reprimand or imposition of a fine, even though the gravity of the individual violation, in isolated terms, is of no such nature that publication of a reprimand or imposition of a fine would be required.*

## **APPENDIX 2**

### **Sanctions – Nasdaq Helsinki**

In the event of a breach(es) of these rules, the disciplinary and surveillance procedures in accordance with Chapter 9 in the Rules of the Stock Exchange shall apply.

## APPENDIX 3

### Sanctions – Nasdaq Stockholm

- 1.1 If an issuer fails to comply with these rules, the Exchange may impose the following sanctions:
  - (i) reprimand, where the breach is of a less serious nature or is excusable;
  - (ii) fines in an amount not less than one hundred thousand SEK and not more than five million SEK; or
  - (iii) the removal of the issuer's warrants from trading, where the issuer has committed a serious breach of the rules, or if the issuer through its failure to comply may damage or has damaged public confidence in the Exchange or the market for warrants.
  - (iv) If the issuer in material respects does not fulfil the applicable requirements for admission to trading, the Exchange may resolve to delist the issuer's warrants.
- 1.2 The Disciplinary Committee of the Exchange is responsible for decisions to impose a fine on an issuer of warrants or to remove financial instruments from admission to trading on the Exchange and to cancel the right to issue warrants in accordance with Section 1.1. The decision to bring matters before the Disciplinary Committee and to issue warnings will be the responsibility of the Head of Surveillance at the Exchange.
- 1.3 When determining the amount of a fine pursuant to Section 1.1 (ii), the Disciplinary Committee shall take into consideration the seriousness of the breach and any other relevant circumstances.
- 1.4 The Head of Surveillance at the Exchange may make decisions pursuant to Section 1.1 (i) and (iv).
- 1.5 These regulations regarding sanctions continue to apply for a period of one year after delisting of the issuer's warrants has become effective if the violation was committed during the period of time when the said warrants were admitted to trading.
- 1.6 The Exchange may publish a decision made pursuant to section 1.1.