

# REGULATORY NOTICE 12 April 2024

*To the participants of the Nasdaq First North Growth Market Finland*

## **CHANGES TO THE FINNISH SECURITIES MARKETS ACT REGARDING DISCLOSURE OF MAJOR SHARE HOLDINGS, PUBLIC TAKEOVER BIDS AND MANDATORY BID – 19 APRIL 2024**

The Parliament of Finland has approved the governmental proposal (HE 3/2024vp) to broaden the scope of application of the Finnish Securities Markets Act (746/2012). Current regulations on the regulated market on disclosure of major share holdings and obligations on takeover bids and mandatory bid will be applicable also on the multilateral trading facility.

These and other changes of the Securities Markets Act will enter into force on 19<sup>th</sup> of April 2024.

### **Obligation to notify major share holdings and the disclosure of the flagging notification**

The scope of application of the current regulations of chapter 9 of the Securities Markets Act on notification and disclosure of major share holdings (flagging) will be applicable also on the multilateral trading facility. The change is applicable to the issuers (disclosure of the notification on major share holdings) on the Nasdaq First North Growth Market Finland (including the Premier segment) as well as their owners of shares (notification on major share holdings). The issuer, listed on First North growth market based its application or permission, is obliged to disclose the notification on major share holdings in accordance with the section 3.1 of the chapter 9 and deliver it to the exchange. In practice, the First North issuer discloses the flagging notification as a company release.

### **Process of the takeover bid and the mandatory bid**

The chapter 11 of the Securities Markets Act will be applicable to the public takeover bids concerning shares and instruments entitling to shares listed on the Nasdaq First North Growth Market Finland (including the Premier segment).

Also, a mandatory bid obligation is applied on multilateral trading facility meaning that there is a duty to make an offer to buy all shares and instruments entitling to shares of the target company when the amount of voting rights held exceeds 30% or 50% of the total voting rights.

The Securities Market Association has published Takeover Code 2022 which is also applicable in takeover situations: <https://www.cgfinland.fi/en/takeover-code/>

### **Transition regulations**

The law changes include certain transition regulations which are applicable in connection to the entry into force of the new takeover and flagging regulations.

## **Rule changes**

Currently applicable rules *Nasdaq First North Growth Market Rulebook for Issuers of Shares, 1 January 2024, Supplement C Finland* will be updated in accordance with the abovementioned changes of the law. The introductory part of the Supplement C Finland describes the applicable regulations on the Nasdaq First North Growth Market Finland. Updated rules will be available on the following website:

<https://www.nasdaq.com/market-regulation/nordic/first-north-mtf-rules>

## **Further information**

Regulations and practices on flagging, public takeover bids and mandatory bids are described on the website of the Finnish Financial Supervisory Authority.

<https://www.finanssivalvonta.fi/en/financial-market-participants/capital-markets/issuers-and-investors/regulation-of-listed-companies/>

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