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Nordnet comments the decision from the Swedish Financial Supervisory Authority to issue a remark and an administrative fine of 100 million SEK

The Swedish Financial Supervisory Authority (SFSA) has decided to issue Nordnet a remark, which is a lower degree of an administrative sanction that is issued when a breach has not been deemed serious, and an administrative fine of 100 million SEK. The background to the decision is the investigation that the SFSA initiated in March 2021, regarding internal governance and control in relation to EU's short-selling regulation.

As a consequence of the short-selling transactions carried out by customers of Nordnet in Moment Group AB on 19 February 2021, the SFSA notified Nordnet of an investigation regarding Nordnet's internal routines and processes for short selling. Since then, a site visit has been carried out, and the SFSA have requested and received written material.

As a part of the investigation process, the SFSA opened a sanction case in December 2021. The sanction process is now closed and Nordnet is issued a remark and an administrative fine of 100 million SEK. The SFSA says in their decision that Nordnet has not had a satisfactory level of internal governance and control in relation to EU's short-selling regulation.

- We have received the decision from the SFSA, and our preliminary assessment is that the fine is far too high. First of all, we have different views on the issue of how the regulations for short-selling transactions should be interpreted. I also think it is of importance that we have had only one single incident of so-called naked short selling, and that it happened on a specific day when the trading in the Moment Group share was very special with incorrect pricing and trading halts. Furthermore, we made a report to the SFSA on our own initiative when we saw a need to review our processes in relation to the regulations for short selling, and immediately implemented improvements so that there should be no doubt that our short selling service is completely in line with applicable rules. There are no intentional actions or attempt to conceal any circumstances on our part in this matter, and no customer has been harmed. We have actively collaborated with the SFSA throughout the entire case and provided them with the information that has been requested. My view is that the SFSA has not taken these circumstances into account when making their decision, and that the fine we have been issued is not on parity with the event that has occurred. It is not unlikely we will appeal, says Lars-Åke Norling, CEO of Nordnet.

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