

## Securitization & Structured Finance - Sweden

### New Industry Code Regulates Structured Investment Products

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On September 9 2009 the Swedish Securities Dealers Association launched an industry code regulating structured investment products offered to the public, aiming to make it easier for investors to compare and evaluate the products on offer.

The association represents the common interests of banks and investment services firms active on the Swedish securities market and comprises members thereof. Its mission is a sound, strong and efficient securities market. Where appropriate, the association develops self-regulatory measures, industry guidance and standards.

The new industry code has been developed because clients are more prone to invest in structured investment products, making products such as index-linked bonds and structured certificates popular investment options that represent an established and significant proportion of the investment products offered by many banks and financial institutions. Kerstin Hermansson, chief executive officer of the association, stated that:

*"The products and the terms and conditions vary amongst the companies and we want to make it easier for our clients to compare and evaluate different offers. The association has therefore developed this industry code to be able to further increase quality, transparency and clarity."*

The code applies to structured investment products which are offered to the public and where a prospectus requirement applies in accordance with Chapter 2 of the Financial Instruments Trading Act (1991:980). However, when offers are directed to retail investors, the code applies without the prospectus requirement being a prerequisite. The code guidelines apply in addition to existing regulations such as statutory legislation and regulations issued by the Financial Services Authority.

The code emphasizes that marketing material for structured investment products shall be comprehensible for investors and clarifies which particular terms and risks should be described in order to make it easier for retail investors to understand and evaluate different offers. According to the code, the total cost of the offer must be disclosed. Furthermore, the code contains a glossary explaining common terms regarding structured investment products and an information leaflet explaining the essentials of these products has been produced.

Banks and financial institutions which comply with the code may state this fact on their website, in marketing material or in other appropriate ways make their compliance known to the public. A logotype to be used for this purpose is available for members of the association.

The code, glossary and information leaflet can all be downloaded from the association's website ([www.fondhandlarna.se/struktprod](http://www.fondhandlarna.se/struktprod)).

For further information on this topic please contact [Niclas Rockborn](#) or [Jenni Garamvölgyi](#) at *Gernandt & Danielsson Advokatbyrå* by telephone (+46 8 670 66 00), fax (+46 8 662 61 01) or email ([niclas.rockborn@gda.se](mailto:niclas.rockborn@gda.se) or [jenni.garamvolgyi@gda.se](mailto:jenni.garamvolgyi@gda.se)).

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