



Listing Guide

Alternative Investment Funds

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Introduction - listing alternative investment funds

Alternative investment funds (“AIFs”) have become increasingly popular in the Swedish markets in recent years, allowing both professional and private investors to access new asset classes. An AIF can be listed in several different formats. Nasdaq Stockholm offers listings solutions for AIFs offered both as company-based funds (i.e. a fund incorporated as a legal entity) or contractually based funds (i.e. a fund as an unincorporated body) with instruments being equity based such as units (Sw. andelar) or shares (Sw. aktier), debt based such as debentures (Sw. vinstandelslån/kapitalandelslån) or other exchange traded products. Regardless of the chosen wrapper or type of instrument, the starting position is that AIFs can only be marketed towards professional investors. However, a listing (admission to trading) of an AIF on a regulated market (such as Nasdaq Stockholm) makes it possible to obtain authorization from the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the “Swedish FSA”) to market the AIF to non-professional investors in Sweden. Furthermore, a listing brings benefits in the form of increased visibility, investor protection and liquidity.

This guide aims to describe and clarify how AIF managers can leverage a listing on a regulated market to access a broader investor base in the Swedish market.

Do not hesitate to reach out to the Nasdaq team if you are interested in establishing an AIF or transferring an already listed AIF from another venue.

Helena Wedin, Head of ETP Services

Nasdaq

Axel Anderstedt-Holm, Head of Debt Listings

1. Benefits of listing your AIF

A listing on a regulated market is a pre-requisite for any AIF manager who intends to market or distribute their AIF to non-professional investors in Sweden.¹ Furthermore, a listing makes it easier for investors looking to trade the AIFs' instruments in the secondary market and enables outreach to investors who are limited to holding listed securities only.² A listing also provides a stamp of quality and investor protection that the scrutiny associated with the listing process and the ongoing surveillance brings. It also increases the AIF's visibility and helps attract new capital and broaden the investor base.

2. Stakeholders in the listing process

A listing of an AIF typically involves the following stakeholders in the listing process:

- **The AIF** (the fund itself)
- **The AIF manager** (the entity responsible towards the investors for the management of the AIF)
- **The legal adviser** is typically responsible for tasks related to the necessary approvals from the Swedish FSA, assisting with drafting of the prospectus and the formal listing process with Nasdaq Stockholm
- **The issuing bank** or investment firm is required for the handling of liquid proceeds and the booking of instruments to the respective investors through the central securities depository
- **The market maker** (if applicable) provides liquidity with respect to the relevant instrument if required for the specific type of instrument and market segment

3. Common listing requirements for AIFs

Regardless of the type of instrument to be listed, the AIF manager and AIF always need to fulfill the minimum set of requirements below when applying to list on Nasdaq Stockholm:

- Authorization to manage AIFs in accordance with the Alternative Investment Funds Managers Directive (2011/61/EU)
- Authorization to market the AIF to non-professional investors
- Prospectus approved by or passported to the Swedish FSA in accordance with the Prospectus Regulation (2017/1129/EU)³
- Registration of instruments with Euroclear Sweden or, following the consent of the regulated market, another CSD

Well in advance of the listing, the AIF manager and the AIF must establish and maintain adequate procedures, controls and systems, including systems and procedures for financial reporting, to enable compliance with its obligation to provide the market with timely, reliable, accurate and up-to-date information in accordance with the relevant rulebook.

The AIF must have its own website on which information disclosed by the AIF on the basis of the disclosure requirements must be available for at least five years, and financial reports must be available for a minimum of ten years, from the date of disclosure.

The AIF must disclose inside information in accordance with Article 17 of the Market Abuse Regulation (596/2014/EU) as well as additional disclosure requirements governed by the relevant rulebook.

Additional listing requirements for the most common types of AIF listings are described in more detail in the next Section.

1 Unless the AIF is a so-called special fund (Sw. specialfond) or foreign equivalent, where no listing is required for marketing to Swedish non-professional investors.

2 Many institutional and retail investors are under limitations when it comes to holding unlisted securities. Examples include UCITs funds that are prohibited from holding a large portion of unlisted securities, or private Swedish investors wanting to hold the securities on an investment savings account (Sw. investeringssparkonto) or in an endowment insurance (Sw. kapitalförsäkring).

3 Please note that a special fund (Sw. specialfond) or a foreign equivalent approved for marketing by the Swedish FSA is not required to prepare a prospectus.

4. Required authorizations from the Swedish FSA

4.1. Authorization as AIF manager

To manage an AIF, the manager needs to be authorized as an AIF manager with the Swedish FSA, or by the equivalent foreign national competent authority. The process with the Swedish FSA to obtain authorization as AIF manager under Swedish law normally takes around three to six months and is subject to an application fee. The requirement to obtain authorization is set out primarily in the Act on Managers of Alternative Investment Funds (SFS 2013:561) (*Sw. lagen om förvaltare av alternativa investeringsfonder*) (the “AIF Act”). An authorization as AIF manager by the Swedish FSA can be passported to other jurisdictions within the EEA by way of notification to the Swedish FSA.

4.2. Authorization to manage a new AIF

If an AIF manager wants to add a new AIF under management it needs authorization by the Swedish FSA, or by the equivalent foreign national competent authority. The authorization process with the Swedish FSA to add a new AIF under management under Swedish law normally takes around two months and is subject to an application fee. The requirements to obtain authorization is set out primarily in the AIF Act. An authorization for a new AIF under management by the Swedish FSA can be passported to other jurisdictions within the EEA by way of notification to the Swedish FSA.

4.3. Authorization to market an AIF to non-professional investors

The AIF manager needs to obtain authorization to market the AIF to non-professional investors in Sweden in connection to the listing. This applies to both Swedish and foreign AIFs, regardless of the type of instrument that is to be listed.⁴ The authorization process with the Swedish FSA to obtain authorization to market the AIF to non-professional investors in Sweden normally takes around two months and is subject to an application fee. The authorization requirement is set out primarily in the AIF Act. The authorization by the Swedish FSA to market the AIF to non-professional investors cannot be passported to other jurisdictions within the EEA.

4.4. Approved prospectus of the AIF

In order to list the instruments issued by the AIF on a regulated market, a prospectus will generally need to be approved and published by the Swedish FSA, or passported to Sweden after approval by the equivalent foreign national competent authority within the EEA.⁵ The prospectus must include information about the AIF necessary for an investor to make an informed assessment of the AIF's assets and liabilities, financial standing, performance and outlook. The information must be written in a clear way that is easy to understand. The requirements for a prospectus are found primarily in the Prospectus Regulation (2017/1129/EU).

The Swedish FSA must approve an application for approval of a prospectus within 10 working days upon submission, provided that the information in the prospectus is complete, consistent and comprehensible. For an AIF that neither has securities admitted to trading on a regulated market nor has previously offered securities to the public, the processing time is instead 20 working days. Please note that if the application for approval of a prospectus needs to be supplemented, or the Swedish FSA otherwise has comments on the prospectus, the processing time resets when a new draft is submitted. This means that the actual processing time for obtaining approval of a prospectus with the Swedish FSA often is longer than the initial processing time.

An approved prospectus by the Swedish FSA can be passported to other jurisdictions within the EEA by way of notification to the Swedish FSA.

⁴ This requirement does not apply for special funds or foreign equivalents already approved for marketing by the Swedish FSA.

⁵ Exemptions apply for so-called special funds, see above.

5. Benefits of different instrument types for AIF listings

The two main types of instruments for AIF listings are debt-based instruments, often referred to as debentures, and equity-based instruments. Although both instruments have extensive similarities from a regulatory point of view, there are a few differences to be considered in relation to other aspects. For instance, while equity-based instruments are regulated in much greater detail from a company law perspective (for example the decision making process, regulation of the shares in the articles of association and registration with the Swedish Company Register), debentures offer more flexibility. In addition, shares must carry certain voting rights while debentures carry no votes. The choice of instrument also includes considerations from an accounting perspective since shares and debentures may be treated differently depending on the terms of the specific instrument. From a tax point of view, differences may also apply, in particular in terms of treatment for investors from different jurisdictions.

The Nasdaq Stockholm rulebooks below regulate the three most common types of instruments offered by AIFs on the Swedish market:

- **AIFs seeking to list debt-based instruments:**
[Nasdaq Stockholm Main_Market – Fixed Income Rulebook](#)
- **AIFs seeking to list equity-based instruments:**
[Nasdaq Stockholm Main Market – Alternative Investment AIFs – Rulebook](#)
- **AIFs seeking to list exchange traded AIFs (ETFs):**
[Nasdaq Stockholm Main Market – Rulebook for Issuers of Exchange Traded Funds](#)

6. Additional listing requirements depending on type of instrument

6.1. AIF offered with debt-based instruments

6.1.1. Additional Listing Rules

For an AIF seeking to list debentures on Nasdaq Stockholm, additional specific listing requirements must be fulfilled. Please review the relevant rulebook (see above) for an exhaustive set of requirements. A summary of the most important requirements is found below:

- The issuer of the debt instruments must be duly incorporated or otherwise validly established according to the relevant laws and regulations of the country of incorporation or establishment.
- The listed instruments must be freely negotiable.
- The application for admission to trading must apply to all the instruments that are part of the issue.

6.1.2. Contents of the listing application – Debentures

The following documents must be included in the listing application for an AIF seeking to list debentures on Nasdaq Stockholm:

- [Application form available here](#)
- [Undertaking to comply with the rules of the exchange available here](#)
- [Sanctions Screening Template available here](#)
- Extract from the Swedish Company Register or equivalent foreign certificate of incorporation
- Prospectus and a confirmation from the Swedish FSA of the prospectus approval
- Name of news distributor
- Information policy or equivalent signed statement on disclosure procedures
- Copy of authorization from the Swedish FSA (or other foreign national competent authority) to manage AIFs
- Copy of authorization from the Swedish FSA to market the AIF in Sweden (must be submitted to Nasdaq at latest 30 days following the listing)

6.2. AIFs offered with equity-based instruments

6.2.1. Additional Listing Rules

For an AIF seeking to list its equity-based instrument on Nasdaq Stockholm, additional specific listing requirements must be fulfilled. Please review the relevant rulebook (see above) for an exhaustive set of requirements. A summary of the most important requirements is found below:

- The AIF must undergo a legal due diligence from a law firm in accordance with a working guideline.
- There must be independent board members on the board of the AIF. Different rules apply depending on whether the AIF is managed internally or externally.
- The AIF manager must ensure that the equity-based instruments of the AIF are sufficiently dispersed and if necessary, ensure that there are suitable agreements in place with market makers to provide liquidity for the instruments on the market.
- The AIF must produce, publish and keep updated an information brochure or equivalent document and a Key Investor Information Document, (KIID), or equivalent document, as applicable.

6.2.2. Contents of the listing application – AIFs offered as equity-based instruments

The following documents must be included in the listing application:

- [Application form available here](#)
- [Undertaking to comply with the rules of the exchange available here](#)
- [Sanction Screening Template available here](#)
- Extract from the Swedish Company Register or equivalent foreign certificate of incorporation
- Information brochure / prospectus and a confirmation from the Swedish FSA of the prospectus approval
- Name of news distributor
- Information policy
- Legal examination report
- The latest annual report, and a liquidity prognosis if the Issuer is not profitable
- Confirmation of sufficient distribution of instruments.
- Fund policies or equivalent description of the funds' placement strategy, restrictions, and rules
- Key Investor Information Document, KIID
- Copy of authorization from the Swedish FSA (or other foreign national competent authority) to manage and market the AIF in Sweden
- Articles of association

6.3. AIFs offered with other instruments, governed by the rules of ETFs

6.3.1. Additional Listing Rules

For an AIF seeking to list ETFs on Nasdaq Stockholm, additional specific listing requirements must be fulfilled. Please review the relevant rulebook (see above) for an exhaustive set of requirements. A summary of the most important requirements is found below:

- The AIF manager must ensure that the instruments of the AIF are sufficiently dispersed and that there are appropriate market-making arrangements in place.
- The AIF must produce and publish an information brochure or equivalent document and a Key Investor Information Document, (KIID), or equivalent document, as applicable.

6.3.2. Contents of the listing application – AIFs offered as other instruments, governed by the rules of ETFs

The following documents must be included in the listing application:

- [Application form available here](#)
- [Undertaking to comply with the rules of the exchange available here](#)
- [Sanctions Screening Template available here](#)
- Extract from the Swedish Company Register equivalent foreign certificate of incorporation
- Information brochure / prospectus and a confirmation from the Swedish FSA of the prospectus approval
- Information policy
- Confirmation of sufficient distribution of instruments
- Key Investor Information Document (KIID)
- Copy of agreement with market maker
- Copy of authorization from the Swedish FSA (or other foreign national competent authority) to manage and market the AIF in Sweden

The application is submitted through Nasdaq's online application, the [Listing Center](#).

7. Step by step guide to a Nasdaq listing

This Section covers the main steps from initial preparations until the final application to list your AIF. These steps can be summarized as:

- Preparations and planning for issuing/listing
- Application to receive necessary authorizations from the Swedish FSA
- Drafting of prospectus
- Registering securities with a CSD, e.g. Euroclear Sweden
- Application for listing
- Marketing brochure and KIID

7.1. Preparations and planning for issuing/listing

An AIF that intends to list should start preparing at an early stage. The amount of preparation depends heavily on whether the AIF managers already have received authorizations from the Swedish FSA or if that needs to be factored into the process. The Swedish FSA's processing time for approvals of authorizations to manage AIFs is three to six months. It should however be noted that an AIF, regardless of its pre-existing authorizations, should start preparing a listing as early as possible as there are several other time sensitive processes that need to fit the schedule, e.g. the prospectus approval and registration of the instruments with a CSD.

7.2. Application to receive necessary authorizations from the Swedish FSA

Swedish law includes detailed requirements on what the application to manage an AIF must contain. An AIF that has not received authorization to manage an AIF before should start the preparations at an early stage to have time to adapt its business and to file an application to the FSA. Typically, the preparations involved with preparing the application take three to six months which means the full process can take up to a year, factoring the Swedish FSA's processing times into the equation.

An AIF that is already authorized to manage AIFs has a shorter time to market. If the listing relates to a pre-existing AIF, the AIF only needs to notify the Swedish FSA about the change and apply for authorization to market the AIF to non-professional investors. In this case, the lead time is usually one month for the notification and two months for the marketing authorization. These lead times also apply to newly established AIFs.

7.3. Drafting of prospectus

The process of drafting and filing the prospectus is usually handled in collaboration between the AIF, the financial adviser and the legal adviser. An approved prospectus is a pre-requisite for the listing and thus also for the application to obtain authorizations to market the AIF to non-professional investors.

7.4. Registering securities with a CSD, e.g. Euroclear Sweden

Euroclear Sweden is the most commonly used central securities depository in Sweden and is tasked with ensuring efficient clearing and settlement of instruments. Euroclear Sweden also maintains the official register of most equity-based and debt-based instruments in the Swedish market.

An AIF listed on Nasdaq Stockholm must, as a main rule, be registered with Euroclear Sweden. However, exemptions can be sought and received from Nasdaq given that conditions for efficient clearing and settlement can be achieved by using other CSDs.

7.5. Marketing of an AIF and the establishment of a Key Investor Information Document (KIID)

An AIF must be authorized to be marketed towards non-professional investors. However, the requirement of said authorization is first triggered when the AIF has been established and is ready to receive capital and issue shares or other financial instruments. In case these criteria are not fulfilled, the AIF can, under certain circumstances, perform some marketing activities before it has received the authorization from the Swedish FSA. Which type of marketing activities that are permitted must be evaluated case-by-case. As previously noted, a KIID must be created before an AIF can be marketed to non-professional investors. The KIID aims to give investors an overview of the most relevant information before investing in a fund. The information in the KIID should be presented in the same manor for all fund types, including AIFs and other mutual funds. More detailed requirements for the contents of the KIID is available in the PRIIPs Regulation (1286/2014/EU).

An investor shall be presented with both the KIID and the prospectus/marketing brochure.

Useful contacts

Nasdaq Stockholm

Equity-or ETF listings:

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