Rules for issuers of foreign ETFs on Nasdaq Copenhagen
Nasdaq Copenhagen
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Introduction

This set of rules (the “rules”) contains the requirements for admission to trading of foreign passively managed index-tracking Exchange Traded Funds (ETF’s) on Nasdaq Copenhagen (The “Exchange”). The rules are issued by the Exchange according to the Danish Capital Markets Act section 75, which states that an operator of a regulated market, an exchange, shall set clear rules for admission to trading on the regulated market. The rules shall ensure that financial instruments admitted to trading can be traded in a fair, orderly and effective manner, when the financial instruments are freely tradable.

In addition to the listing requirements the rules contain the provisions that regulate the issuers’ disclosure obligations towards the market and the exchange and certain separate exchange rules. These rules should be considered as a supplement to the statutory legislation.

The rules for issuers of ETFs on Nasdaq Copenhagen include:
1) General Provisions
2) Listing Requirements
3) Application
4) Waiver
5) Observation, suspension and delisting
6) Disclosure rules
7) Website
8) Sanctions

The rule text itself is written in bold letters. To promote the use of the rules the rule text is often followed by a guiding text. The guiding text is not binding for the issuer; but clarifies the exchange’s interpretation of the current practice.

In this set of rules the following terminology is used: ”the Exchange” about Nasdaq Copenhagen, “issuers” about a Fund or the Management Company of the fund in situations where the fund is not a legal entity, or “ETF-unit” about a sub fund and an ISIN.


1.1 Applicability of the Rules
The rules in this set of rules governing ETF’s shall apply to foreign passively managed index-tracking ETF’s, where the issuer is approved by a foreign Financial Supervisory Authority or, equivalent foreign authority as of the day on, which the issuer applies for admission to trading and thereafter in the period of time in, which the ETF-units are admitted to trading.

1.2 Entry into force
This set of rules apply from 6 February 2019. As of this date, “Rules for issuers of ETF’s on NASDAQ OMX Copenhagen A/S, dated July 2011, are lifted.

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1 Reference to definition in ESMA/2014/937/EN – Guidelines for competent authorities and UCITS management companies, Guidelines on ETFs and other UCITS issues.
1.3 Change of the rules
The Exchange can make changes or amendments to the rules. Such changes or amendments shall apply to the issuer and the ETF-units at the earliest 30 days after the Exchange has informed the issuer and published the information via the Exchange’s website. The Exchange may under specific circumstances decide that amendments to the rules shall apply earlier than 30 days as the situation demands.

1.4 General Terms and Conditions for Admittance to Trading
Prior to the first day of trading the issuer shall accept and sign the General Terms and Conditions for Admittance to Trading.

1.5 Fees
The issuer shall, in accordance with the Exchange’s Price List in force from time to time, pay fees to the Exchange. Notification regarding fees must be given at least 30 days before the fee becomes due and payable.

2. Listing requirements

2.1 General provisions for admission to trading
ETF-units can be admitted to trading if the instrument and the issuer fulfill the terms and conditions described below and if the instrument, in the reasonable opinion of the Exchange, is suitable for trading.

The decision regarding the admission to trading of ETF-units on Nasdaq Copenhagen is taken by the Exchange following an application from the applicant to become an issuer.

2.1.1 Application of the provisions
The provisions for admission to trading in this section 2, shall apply as of the day on, which the Funds ETF-units are admitted to trading on the Exchange, and thereafter in the period of time in, which the ETF-units are admitted to trading.

2.1.2 Supervision and incorporation
The issuer must be duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment. In addition, the issuer must possess the necessary permit by the relevant authority in its home member state, where the issuer must also be subject to supervision by the relevant authority or other authorized body.

2.1.3 Language
Issuers may choose to publish announcements in Danish, Swedish, Norwegian or English.

2.1.4 Disclosure of information
Information, to be disclosed based on this set of rules, must be disclosed in such a way that the information quickly becomes available in a non-discriminating way. In cases where the information is included in the Market Abuse Regulatory (MAR), such information must be disclosed in accordance with the requirements set out by MAR.
Other information to be disclosed according to this set of rules must be disclosed via the Exchange’s filing- and disclosure system unless another way of disclosure is prescribed in this set of rules.

For surveillance purposes, information that is to be disclosed shall also be sent to the Exchange simultaneously with the disclosure at the latest, in the manner described by the Exchange.

The purpose of this requirement is to ensure that all market participants have simultaneous access to the same information. The information must be sent electronically to the Exchange in the way described by the Exchange. Contact the Exchange for further information regarding electronic reporting to the Exchange for surveillance purposes.

2.2 Requirements for admission

2.2.1 Free negotiability
The instruments shall be freely transferable.

2.2.2 Validity
The Funds ETF-units must (i) conform with the laws at the Funds place of incorporation, and (ii) have the necessary statutory or other consents.

2.2.3 Capacity to produce and disseminate information to the market
Well in advance of the admission to trading, the issuer shall establish and maintain adequate procedures, controls and systems, to enable compliance with the disclosure requirements and provide the market with timely, reliable, accurate and up-to-date information.

2.2.4 Registration in a central securities depository
The Funds instruments must be registered in a Danish or, subject to the consent of the Exchange, a foreign central securities depository.

2.2.5 Distribution of ETF-units to the public (market making)
The Fund shall have a sufficient distribution of ETF-units to the public and ensure that there are appropriate market-making arrangements in place, and that the issuer provides appropriate alternative arrangements for investors to redeem the units.

2.2.6 Prospectus
The Issuer must prepare and publish a prospectus, offer document or equivalent document in accordance with relevant prospectus legislation or other applicable legislation.

It is the sole responsibility of the issuer to ensure that the prospectus, offer document or equivalent document complies with the legislative demands for prospectuses or other applicable regulation.
2.2.7 Suitability
The exchange may, in cases where all requirements are fulfilled, refuse an application for admission to trading if it considers that the admission to trading would be detrimental for the securities market or investor interests.

3. Application

3.1 Application requirements for issuers that does not already have ETFs admitted to trading on Nasdaq Copenhagen
The Issuer must provide the Exchange with the following:

- application for admission to trading signed by the members of the issuer authorized to represent the issuer;
- documentation of duly incorporation of the Fund or otherwise valid establishment according to the relevant laws of its place of incorporation or establishment;
- the funds most recent annual report if such has been made;
- the funds most recent half year report if such has been made;
- documentation of the necessary permit by the relevant authority in its home member state, where the issuer must also be subject to supervision by the relevant authority or other authorized body;
- draft timetable;
- marketing approvals if relevant;
- the issuer’s prepared prospectus, offer document or equivalent or draft of such document, including funds rules where applicable according to section 2.

3.2 Application requirements for issuers that already have ETFs admitted to trading on Nasdaq Copenhagen
The Issuer must provide the Exchange with the following:

- application for admission to trading signed by the members of the issuer authorized to represent the issuer;
- documentation of the necessary permit by the relevant authority in its home member state, where the issuer must also be subject to supervision by the relevant authority or other authorized body;
- draft timetable;
- marketing approvals if relevant;
- the issuer’s prepared prospectus, offer document or equivalent document or draft of such document, including funds rules where applicable.

4. Waiver
The Exchange may approve an application for admission to trading, even if the issuer does not fulfill all the requirements for admission to trading, if it is satisfied

i. That the objectives behind the relevant listing requirements or any statutory requirements are not compromised, or
ii. That the objectives behind certain listing requirements can be achieved by other means,
5. Observation, Suspension and Delisting

5.1 Observation status
The Exchange may decide to grant ETF-units observation status if:

i. the issuer fails to satisfy the Listing Requirements and the failure is deemed to be significant,

ii. The issuer has applied for delisting of the ETF-units,

iii. There is substantial uncertainty in respect of the fund’s financial position or the pricing of the ETF-units, or

iv. Any other circumstance exists that result in substantial uncertainty regarding the Management Company, the fund or the pricing of the ETF-units.

As a signal to the market the ETF-units may temporarily be granted observation status. The objective behind granting observation status is to send a signal to the market stating that special circumstances related to the issuer or its ETF-units exist. The reason for giving ETF-units observation status varies between different situations. ETF-units should only be granted observation status for a limited period, normally no more than six months.

5.2 Suspension
The Exchange may decide to suspend trading of ETF-units. The decision of suspension may further be taken by the Exchange based on a request by the issuer. Suspension takes place in accordance with section 4.7 in the Nasdaq Nordic Member Rules.

The term suspension is used in all situations in which the trading of shares must be halted for a shorter or longer period of time. The effect of a suspension is that the members of the Exchange are not able to register or amend orders in the trading system and that members are not able to manually report trades.

5.3 Delisting
The Exchange may in accordance with section 8 remove the ETF-units from trading if the ETF-units no longer meet the regulations of these Rules.

If an issuer, whose ETF-units are admitted to trading on the Exchange, submits a request for removal from trading, the Exchange will comply with such request and decide on the last day of trading in consultation with the issuer.
6. Disclosure rules

6.1 Disclosure of inside information (General provision)
The issuer shall disclose inside information in accordance with Article 17 of the Market Abuse Regulation (“MAR”).

Article 17 of MAR sets out the disclosure obligations in respect of inside information. The term inside information is defined in Article 7 of MAR. According to Article 17 the issuer may, on its own responsibility, delay disclosure to the public of inside information provided that all of the conditions set out in MAR are met.

Set out in Section 3.1 in the Rules for Issuers of Shares is guidance on certain circumstances and events that in the Exchange’s view may involve inside information under MAR. The intention of the guidance is to facilitate the issuer’s compliance with MAR and to provide guidance on the Exchange’s view on the issuer’s disclosure requirements under MAR.

6.2 Other disclosure requirements
This Section 6.2 contains certain disclosure requirements that go beyond the requirements in Article 17 of MAR. Consequently, the information set out in this Section 6.2 should always be disclosed irrespective of whether it constitutes inside information, which require disclosure pursuant to MAR. Information to be disclosed in accordance with this Section shall, regardless if considered inside information, be disclosed in the same manner as inside information in Section 6.1, unless otherwise stated.

6.2.1 NAV
The issuer shall every trading day, in ample time before the opening of the Exchange, publish every fund’s Net Asset Value (“NAV”) on its website.

When calculating NAV issuers must consider their obligations under MAR, cf. rule 6.1.

6.2.2 The fund’s composition
The issuer shall disclose, on a quarterly basis, the composition of the funds on the issuer’s web page.

6.2.3 Financial reports
The issuer shall prepare and disclose financial reports for each fund pursuant to accounting legislation and regulations applicable to the company.

6.2.4 Timing of financial statement release and interim reports
The issuer shall, for each listed fund, publish an annual report as soon as possible and by latest four months from the expiry of the financial year. The issuer shall also submit a half yearly report regarding the fund as soon as possible and by latest two months from the expiry of the half yearly period.

6.2.5 General meeting
The issuer shall publish the notices convening annual and extraordinary general meetings, and publish information about passed resolutions, if applicable.

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2 Regulation (EU) No 596/2014
3 Please see Article 17(4) of MAR and the Commission’s Delegated Act on disclosure and for delaying disclosure of inside information.
6.2.6 Fund rules
Amendments to the fund rules shall, if applicable, be published as soon as the amendment has been approved by the relevant foreign Authority, when the Authority has decided that the change shall be informed to the fund unit owners.

6.2.7 Changes in management, auditors and investment management company or management company

Issuers shall as soon as possible disclose changes in the issuer’s board of directors and auditors.

Changes in the management of an investment management company or a management company must be disclosed as soon as possible.

A change of investment management company or management company must be disclosed as soon as possible.

Self-managed issuers shall disclose suggestions to changes and actual changes in the issuer’s board of directors, management and auditors as soon as possible.

6.2.8 Change in identity
If substantial changes are made to the fund rules, or equivalent document, to such a degree that the fund may be regarded as a new fund, the issuer shall disclose a new prospectus, including fund rules, with the current fund rules, or an equivalent document.

6.2.9 Consolidation or division of funds
Where the issuer has obtained authorization from the relevant foreign Authority regarding the consolidation of the fund with another fund or the division of the fund, the issuer shall, if applicable, as soon as possible publish information regarding the planned measure and the Authority’s decision.

6.3 Information for surveillance purposes
Information to be disclosed shall also be submitted to the Exchange for surveillance purposes not later than simultaneously with the disclosure of information in accordance with this set of rules, in the manner prescribed by the Exchange.

The information must be sent electronically in the manner prescribed by the Exchange. For practical assistance regarding the prevailing practice, the issuer may contact the Exchange.

7. Website

The issuer shall have a website on which information disclosed by the issuer on the basis of the disclosure requirements shall be available for at least five years. However, financial reports must be available for at least ten years from the time it was published.

The information shall be made available on the website as soon as possible after the information has been disclosed.
8. Sanctions

In the event that an issuer fails to meet requirements in this rulebook or seriously breaches any act, other legislation or other Exchange rules, the Exchange may, where the breach is material give the issuer a reprimand. Moreover, the Exchange may give an issuer a fine of up to three times the annual listing fee, however, not less than DKK 25,000 and not more than DKK 1 million. In special circumstances, the Exchange may decide to delete 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.