



The Disciplinary Committee fines Kaupthing Bank Sweden

Kaupthing Bank Sweden has contravened OMX Nordic Exchange's and Finansinspektionen's rules by reporting 15 trades to the Exchange for which contract notes and other documentation were missing. The prices at which the trades have been reported have also, on a number of occasions, diverted from the prices at which trading in general has taken place, this leads to the suspicion that the reporting has been done with an unduly objective. OMX Nordic Exchange in Stockholm's Disciplinary Committee has decided that Kaupthing must pay a fine of SEK 200,000.

Kaupthing Bank Sweden AB is a member of OMX Nordic Exchange Stockholm. According to the Exchange's rules for Exchange members, every trade that is reported in the trading system must comprise real transactions and must not be intended to mislead others. According to the regulation of Finansinspektionen (the Swedish Financial Supervisory Authority), every assignment from a client regarding securities transactions shall be documented and there should be a contract note. In this context, manual trades means transactions where the member has completed a trade between a buyer and a seller outside of the automatic trading system and where such trade, and its terms, is being manually reported in the system. When the trade is being reported it is also made public, which means that incorrectly reported trades distort the trading statistics that is made available to the general public.

The inquiry conducted by the Exchange shows that during January and February 2007 a broker at Kaupthing has reported 15 trades concerning Nordic Mines AB, a company traded on First North, that have not comprised any documentation. Contract notes have not been established. Kaupthing has stated that the trades have been intended to represent real transactions, but that appropriate documentation about them is missing. The prices at which the trades have been reported also deviate from the prices at which other trading activities have taken place, but since there is insufficient documentation about the transactions, it has not been possible to confirm the accuracy of the pricing.

The Disciplinary Committee has concluded that the events constitute serious breaches of the Exchange's rules and failures to comply with Finansinspektionen's regulation. Since the required documentation is missing, it cannot be ruled out that the trade reporting has been conducted with an undue intent, but at the same time it cannot be concluded to have been the case. Subsequently, OMX' Disciplinary Committee orders Kaupthing to pay a fine of SEK 200,000. The employee responsible for the trade reporting has been given a warning by SwedSec, the licensing institute for the Swedish financial markets.

For further information

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About the Disciplinary Committee | The role of OMX Nordic Exchange in Stockholm's Disciplinary Committee is to consider suspicions regarding whether Exchange Members, brokers or listed companies have breached the rules and regulations applying on the Exchange. If the Exchange suspects that a member, broker or listed company has acted in breach of the Exchange's rules and regulations, the matter is reported to the Disciplinary Committee. The Exchange investigates the suspicions and pursues the matter and the Disciplinary Committee issues a ruling regarding possible sanctions. The sanctions possible for listed companies are a warning, a fine or delisting. The fines that may be imposed range from one to 15 annual fees. The sanctions possible for Exchange Members are a warning, a fine or debarment, while brokers may be warned or have their brokerage license rescinded. The Disciplinary Committee's Chairman and Deputy Chairman must be lawyers with experience of serving as judges. At least two of the other members of the Committee must have in-depth insight into the workings of the securities market.

Members: Supreme Court Justice Johan Munck (Chairman), Supreme Court Justice Marianne Lundius (Deputy Chairman), Madeleine Leijonhufvud (professor), Stefan Ernehalm (company director) and Hans Mertzig (company director). Deputy Members: Hans Edenhammar (MBA), Claes Beyer (lawyer), Jack Junel (company director), Ragnar Boman (MBA) and Carl Johan Högbom (MBA).

About OMX | OMX is a leading expert in the exchange industry. Through the Nordic Exchange, OMX offers access to approximately 80 percent of the Nordic and Baltic securities market. The Nordic Exchange is a term used for marketing purposes and is not a legal entity. It describes the common offering from the Helsinki Stock Exchange, Copenhagen Stock Exchange, Stockholm Stock Exchange, Iceland Stock Exchange, Tallinn Stock Exchange, Riga Stock Exchange and Vilnius Stock Exchange. OMX integrated technology solutions cross the transaction chain enabling efficient securities transactions for over 60 exchange organizations in more than 50 countries. OMX is a Nordic Large Cap company in the Financial sector on the OMX Nordic Exchange. For more information, please visit www.omxgroup.com.