
09/11/2021

Finantsinspektsioon has ended its misdemeanour proceedings against Swedbank AS (registry code 10060701) in relation to trading in the subscription rights of AS LHV Group. The proceedings were terminated because Swedbank AS voluntarily and promptly compensated clients who were able to purchase the subscription rights of AS LHV Group without completing the related questionnaire.

To protect the rights of investors, it is important for the providers of investment services to collect information from clients that let them make sure whether a particular security is appropriate for the client. Member of the Finantsinspektsioon management board **Siim Tammer** said that breaching this requirement seriously hurts the interests of investors. Given though that Swedbank AS had moved to compensate the losses caused to clients and taken steps to prevent this happening again, Mr Tanner considered that the interests of investors will be better protected in future and there was no reason to continue with the misdemeanour proceedings.

Swedbank AS did not however apply the investor-protection requirement to assess the appropriateness of the security in the trading of the subscription rights of AS LHV Group on 15-20 September 2021. That the bank not only started to compensate client losses immediately but also understood its error and was cooperative in working with Finantsinspektsioon was important in the decision to end the proceedings.