

Surveillance and Enforcement

August 2006

Stockholm Stock Exchange

The Stockholm Stock Exchange (SSE) has in August issued criticism to one company for infringes of the rules that were not of such a serious nature that they required to be handled by the Disciplinary Committee. The company was criticized for not having contacted the SSE before significant price sensitive information was released during trading and thus not allowing the SSE to implement a trading halt to ensure fair-trading in the share.

The SSE handed over one case concerning a breach of the Swedish Industry and Commerce Stock Exchange Committee (NBK) rules concerning disclosure of acquisitions and transfers of shares to the Swedish Securities Council (AMN). AMN expressed criticism against Waldir AB, Martin Bengtsson and Fabian Bengtsson.

The SSE has issued criticism towards an exchange member on one occasion, in connection with a breach of exchange rules. The matter concerned a situation where the member placed orders for a number of less liquid stocks for execution in the closing call of a certain trading day. By mistake, the price limits were set more aggressively than the trader had intended, whereby the executions that followed got a very strong price impact for one of the stocks concerned.

During the month, one case has been handed over to the Swedish Financial Supervisory Authority and concerned suspected illegal insider trading.

Three companies were placed on the Observation segment of the SSE's O-list. Biacore International AB and JC AB were placed there since the companies did not fulfill the listing requirement regarding shareholder concentration; Tripep AB as a consequence of a planned significant change in the company's line of business.

Helsinki Stock Exchange

One case of suspected insider trading and one case of possible price manipulation were reported to the Finnish Financial Supervisory Authority.

Copenhagen Stock Exchange

NeuroSeach A/S was transferred to the observation segment, as the company had announced that a conditional agreement to acquire A. Carlsson Research AB (Carlsson Research) had been signed. The acquisition is conditional, inter alia, upon a share offering being made by NeuroSearch. The agreement with Carlsson Research will change NeuroSeach's expectations for the annual results.

Olicom A/S was transferred as the company in its half-year financial statements announced had that the report had been prepared under the assumption that the previously announced co-operation with Investeringselskabet Elkær Invest A/S, including the plans for a rights issue, will be carried through. If such rights issue will not be carried through, the company must provide funding from other sources in order to secure continued operations.

Victoria Properties A/S was in August removed from the observation list due to the fact that Vipro Holding A/S had announced that, at the end of the mandatory offer to the shareholders in Victoria Properties, Vipro Holding had received accept from shareholders for 72,652 B-shares corresponding to 3.66% of the share capital.

In August two companies got reprimands for not having their stock exchange announcements available on their web sites.

Riga Stock Exchange

The Riga Stock Exchange has during the month made an investigation of how the 2005 audited financial reports were disclosed by the issuers, and identified that 18 listed companies had failed to comply with the provisions of Article 56.5 of the Law on Financial Instruments Market. It is stated in the rule that the companies have to submit to the stock exchange the audited annual reports no later than on the next day after a certified auditor has released his report.

The Riga Stock Exchange has issued a warning to a company for the failure to disclose information in a timely manner. The company had not informed the RSE about changes in their Management Board, while the rules stipulate that this is an event requiring immediate disclosure.

The RSE has advised the Financial and Capital Market Commission on the above breaches of the rules.

Vilnius Stock Exchange

The VSE has issued criticism towards exchange members on three occasions for possible market manipulation. The first issue concerned a case, where clients' orders and transactions were concentrated within a short time span in the trading session and resulted in short-lasting price changes. The next two issues concerned cases, when the clients of exchange members were placing buy orders just before the closing call and thereby affected the last price of the trading session. The Lithuanian Securities Commission was informed about the cases.