

Consultation regarding ETF Rules

FOR EXCHANGE TRADED FUNDS (ETF) ON OSLO BØRS

OCTOBER 2020



1 INTRODUCTION

Following the acquisition of Oslo Børs by Euronext in June 2019, and as communicated previously, trading on Oslo Børs and Oslo Axess will migrate onto the Euronext trading platform Optiq on 9 November 2020 for equities and on 30 November 2020 for derivatives and fixed income.

As part of the acquisition by Euronext, the Issuers of shares, bonds and ETFs on Oslo Børs and Oslo Axess will become part of the Rule Book regime in Euronext. This involves more harmonization with Euronext's Issuer Rules, both in terms of structure and content. Furthermore, Oslo Axess will as part of the harmonization process be renamed to Euronext Expand.

Subject to the successful migration to Optiq, the Rule Books will enter into force from 9 November 2020 for Issuers of equities and 30 November 2020 for Issuers of bonds.

2 EURONEXT REGULATIONS

2.1 EURONEXT RULE BOOK I: HARMONISED RULES

All markets are governed by the Harmonised rules, which includes a single harmonised rule book (Rule Book I).

Euronext Rule Book I is attached as [Appendix 1A](#).

The two relevant chapters for Issuers are Chapter 1 (General provisions) and Chapter 6 (Admission to trading and continuing obligations for issuers).

2.2 OSLO RULE BOOK II: NON-HARMONISED RULES

Regulation specific to each Euronext market is included in the Non-Harmonised Rules, which includes the Rule Book II for each local market, and other local documents where needed. This entails that Rule Book I applies with the modifications and additions set out in Rule Book II.

Contrary to today's situation, where Oslo Børs has separate rule books for different categories of securities, and separate rule books for listing rules and continuing obligations, respectively, all these rules will be included in one Rule Book II.

Oslo Rule Book II is attached as [Appendix 2](#) Chapters 1 to 4 was published for public consultation on 7 July 2020, and the consultation period ended on 30 August 2020. Subject for public consultation in this round is the common issuer rules in Rule Book II Chapter 2 and the ETF rules in Chapter 5.

2.3 NOTICES

In addition to Rule Book I and Rule Book II, the Euronext markets can issue Notices, which are documentation labelled "Notice", for the purpose of interpreting or implementing the Rules or any other purpose contemplated in the Rule Books.

Oslo Rule Book II includes references to Notices to be issued by Oslo Børs where this is considered relevant. For example, certain requirements to documentation to be submitted in the listing process is removed from the listing rules and will be set out in a separate Notice instead.

3 OVERVIEW OF THE PROPOSED CHANGES TO THE ISSUER RULES

3.1 GENERAL

Following the migration to Optiq, the rules for Issuers on Oslo Børs and Oslo Axess (to be renamed Euronext Expand) will follow from Rule Book I, with the additions and modifications set out in Oslo Rule Book II, as well as separate Notices.

Rules that are set out in Rule Book I will as a main rule not be included in Rule Book II, which entails that these requirements will follow directly from Rule Book I. Furthermore, a number of rules that are duplicated from laws and regulations in the current listing rules and continuing obligations, will not be included in the Rule Books and follow directly from the relevant law or regulation. In addition to changes to the Rules due to harmonisation with Euronext, certain provisions have been moved to other places in Rule Book II compared to the current rules.

Chapter 1 of Oslo Rule Book II includes definitions, which apply in addition to the definitions set out in Chapter 1 of Rule Book I, the scope of each of the chapters and certain other general regulations.

The listing rules and the continuing obligations as set out in Rule Book II Chapter 5 are primarily a continuation of the current ETF Rules of March 2019 (the “**ETF Rules**”). The main amendments proposed to the listing rules for ETFs are set out under section 3.2 below, while the main amendments proposed to the continuing obligations for ETFs are set out under section 3.3.

3.2 LISTING RULES

3.2.1 COMMON FOR ISSUERS OF SHARES, BONDS AND ETFs

Matters that will be regulated in separate Notices

The current Listing Rules for Oslo and the ETF Rules are comprehensive with regard to procedures and documentation to be submitted in the application process. Several of these will be regulated in separate Notices and not be included in the Rule Book. The proposed changes are only structural and entail no material changes to the listing processes or documentation requirements.

3.2.2 ISSUERS OF ETFs

3.2.2.1 Structure

The Listing Rules for shares, bonds and ETFs admitting to trading at Oslo Børs and Oslo Axess (to be renamed Euronext Expand) will contrary to today, be included in the same rule book, in the same chapters in Rule Book I (Chapter 6) and Rule Book II (Chapters 3, 4 and 5). There will however continue to be more stringent rules for listing on certain areas on Oslo Børs than on Euronext Expand. In addition to the Rule Books, certain matters will also be included in separate Notices.

3.2.2.2 Main amendments

Registration with a Central Securities Depository

Pursuant to section 2.2.2 of the current ETF Rules, the fund units must be registered with a Central Securities Depository authorised pursuant to Section 3-1 of the Securities Register Act. Fund units may be registered with some other Central Securities Depository subject to demonstrating that investors and member firms will be able to carry out clearing and settlement fund units. This rule is now replaced by Rule 6201 (ii) of Rule Book I which states that the Issuer must have adequate procedures available for clearing and settlement.

Prospectus and key investor documentation

Pursuant to the current ETF Rules section 2.3.1 (2) the prospectus and key investor information must be submitted to Oslo Børs for inspection. This rule has not been continued in Rule Book II, and Oslo Børs will accordingly not inspect prospectuses any longer. Further, the content requirements for prospectuses as set out in the current ETF Rules section 2.3.2 has been removed, so that only the requirements pursuant to the Securities Fund Act and the Securities Fund Regulation apply. However, Oslo Børs still reserves the right to require that certain information is included in the prospectus if it considers this necessary in view of the interests of investors or for the purpose of evaluating whether the fund is suitable for trading.

Removal of certain rules from the Listing Rules to Notices

Some of the more detailed current rules as set out in the current ETF Rules that relates to the listing process and documentation requirements will be moved to Notices instead of being included in Rule Book II, in accordance with the structure established within Euronext. The proposed changes are only structural and entail no material changes to the listing processes or documentation requirements.

3.3 CONTINUING OBLIGATIONS

3.3.1 COMMON FOR ISSUERS OF SHARES, BONDS AND ETFs

3.3.1.1 Structure

A number of rules applicable both for Issuers of shares, bonds and ETFs have now been included in Chapter 2 of Oslo Rule Book II. These include, among other things, the requirements regarding language to be used, contact persons, company information in NewsPoint, procedures for publishing and filing of information, the Issuer's duty to provide information to Oslo Børs and delisting and sanctions.

The current ETF Rules section 3.1 refers to several provisions of the continuing obligations of stock exchange listed companies and state that these shall apply to ETFs listed on Oslo Børs to the extent they are applicable. These rules are now included in the Issuer rules for ETFs in Rule Book II Chapter 5.

3.3.1.2 Main amendments

Equal treatment

The rule regarding equal treatment, which follows from the current Continuing Obligations of stock exchange listed companies section 2.1 which also apply for ETFs, will not be regulated in Rule Book II, but by Rule 61003/1 of Rule Book I, cf. section 5-14 of the Securities Trading Act. The amendment does not entail any change to the content of the obligation.

Procedures for publication and filing of information

Currently, the publication requirements follow from the current Continuing Obligations of stock exchange listed companies chapter 5 which also apply for ETFs. The rules regarding publication and filing of information is now included in Rule 2.8 in Rule Book II. Paragraph nine is a new provision, but has previously been included in the guidance to the former rule and is included in the Rule Book to formalize current practice. Apart from this, no changes have been to this Rule.

Trading halt and matching halt

The rules in sections 14.2 and 14.3 of the current Continuing Obligations of stock exchange listed companies of stock exchange listed companies which also apply for ETFs regarding matching and trading halt will be regulated by Rule 4403/2 in the Trading Rules in Rule Book I.

Removal of duty to provide certain specific information to Oslo Børs

Oslo Børs has removed certain of the Issuer's obligations to provide Oslo Børs with specific types of information pursuant to section 2.6 of the current Continuing Obligations of stock exchange listed companies which also apply for ETFs. The reasons for the amendment are that these are considered covered by other rules, Oslo Børs receives the relevant information by other means or is able to request the information from the Issuer when necessary.

Removal of the concept of temporary delisting

The current Continuing Obligations of stock exchange listed companies which also apply for ETFs section 15.2 provides Oslo Børs with the ability to resolve a temporary delisting of a financial instrument if certain conditions are met. Oslo Børs proposes to remove this rule as it is not been used in practice.

LEI, CFI and FISN codes

Oslo Børs proposes a new rule 2.4 in Rule Book II where the Issuer at all the times must have an active CFI and FISN code, which will apply in addition to the requirement to have an active LEI code pursuant to Rule 61004/4 of Rule Book I. The Issuer must submit LEI, CFI and FISN codes to Oslo Børs, and any changes thereof, as soon as these are in place or changed, as relevant. The reason for the Rule is that Oslo Børs is required to report these codes to ESMA.

3.3.2 ISSUERS OF ETFs

3.3.2.1 Structure

The rules applicable to Issuers with ETFs admitted to trading on Oslo are set out in Chapter 6 of Rule Book I and Chapters 2 and 5 of Rule Book II.

3.3.2.2 Main amendments

Removal of rules duplicated from law

A number of rules that are regulated by law or regulations have been removed from the rule book due to harmonization with Euronext where Oslo Børs has considered it unnecessary to have the rules duplicated in the rule book. These include the following provisions in the current Continuing Obligations of stock exchange listed companies which also apply for ETFs: Section 2.2 (*Good stock exchange practice*) and Section 15.5 (1) and (2) (*Market surveillance*). Oslo Børs has considered it sufficient that these rules follow directly from law.

Disclosure of inside information and financial reporting

Currently, the disclosure requirements of inside information follow from the current Continuing Obligations of stock exchange listed companies chapter 3.1 which also apply for ETFs. The rules regarding the Issuer's obligation to disclose inside information have been simplified, but do not entail any change to the content of the obligation. The same applies with regard to the rules on financial reporting. In Rule Book II, the disclosure rules have been included under the Continuing Obligations for ETFs in Chapter 5.

Split and reverse split

Oslo Børs proposes a new rule specifying that decisions on splits and reverse splits must be publicly disclosed immediately.

New rule regarding corporate actions

Oslo Børs proposes a new rule in Rule Book II whereby the Issuer / management company has to carry corporate actions in accordance with the rules set out in Rule 5.8.2, meaning that proposals or decisions on payment of cash dividends or realized gains shall be designed such that the ETFs at the

earliest can be traded excluding the right in question two Trading Days after the relevant key dates (ex-date, record date and any payment date etc.) are publicly disclosed in a separate notice.

New rule regarding announcement of ex-date

Oslo Børs proposes a new Rule 5.8.2.3 in Rule Book II whereby the Issuer has to publicly announce that the ETFs are traded exclusive the right in question in a separate announcement, prior to the opening of the market the first day the fund unit is traded exclusive the relevant right (ex-date).

4 CONSULTATION PROCESS

Issuers and other stakeholders are invited to comment on the proposed changes by 23 October 2020 to consultation@oslobors.no.

Contact persons

Listing rules

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Continuing obligations

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