



## **Description of the Financial Supervisory Authority's governance arrangements**

### **1 Purpose of description**

The purpose of this description is to provide a summary of the Financial Supervisory Authority's governance arrangements. The description addresses the distribution of responsibilities and rights in the Financial Supervisory Authority's administration and governing bodies, the operations of the Financial Supervisory Authority's internal audit, and the key legal provisions and the Financial Supervisory Authority's internal guidelines concerning the members and deputy members of the Board and employees of the Financial Supervisory Authority.

### **2 Administration**

#### **2.1 Financial Supervisory Authority's administrative status**

The Financial Supervisory Authority operates in connection with the Bank of Finland.

In its decision-making, the Financial Supervisory Authority is an independent authority.

In addition to the Act on the Financial Supervisory Authority (878/2008), the Act on the Bank of Finland (214/1998), the Act on Officials of the Bank of Finland (1166/1998) and other regulations concerning the Bank of Finland are applied to the administration of the Financial Supervisory Authority, unless otherwise provided in the Act on the Financial Supervisory Authority.

#### **2.2 Governing bodies**

The activities of the Financial Supervisory Authority are managed by the Board.

The Parliamentary Supervisory Council referred to in section 10 of the Act on the Bank of Finland has administrative and supervisory responsibilities regarding the Financial Supervisory Authority.

##### **2.2.1 Parliamentary Supervisory Council**

The key task of the Parliamentary Supervisory Council is to supervise the overall expediency and efficiency of the activities of the Financial Supervisory Authority.

The assessment of the implementation of the supervision of the overall expediency of the activities is guided especially by how the objective of the

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Financial Supervisory Authority's activities as set out in section 1 of the Act on the Financial Supervisory Authority has been achieved.

An important tool in implementing the supervision by the Parliamentary Supervisory Council is the Board's report to the Parliamentary Supervisory Council. When necessary, and in any event at least once a year, the Board of the Financial Supervisory Authority must submit a report to the Parliamentary Supervisory Council on the objectives set for the activities of the Financial Supervisory Authority and their achievement, including an estimate of anticipated changes, their impact on accumulated supervisory fees, and measures required by the anticipated changes.

In addition to the above-mentioned task, the responsibilities of the Parliamentary Supervisory Council are:

- to appoint the members and deputy members of the Board and designate one of the members as Chairman and one as Vice Chairman;
- to decide on the suspension from duty of a Board member or deputy Board for a specified period;
- to appoint and dismiss, upon proposal by the Board, the Director General and designate a Deputy to the Director General.
- to decide on the principles for determining the Director General's salary, leave of absence and annual leave and other terms pertaining to the Director General's terms of employment;
- to decide on the issuance of a warning to the Director General and the suspension of the Director General from office for a specified period;
- to confirm the rules of procedure of the Financial Supervisory Authority upon proposal by the Board;
- to supervise compliance by Board members with their disclosure obligations provided in section 16 of the Act on the Financial Supervisory Authority;
- to decide the compensation payable to Board members.

The responsibilities of the Parliamentary Supervisory Council are listed exhaustively in section 8 of the Act on the Financial Supervisory Authority.

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The Parliamentary Supervisory Council submits a report annually. This report includes an assessment by the Parliamentary Supervisory Council of the previous reporting year and the measures taken on the basis of it by the Financial Supervisory Authority, and the assessment of the Parliamentary Supervisory Council on the activities of the Financial Supervisory Authority during the reporting year. The latter includes an assessment of the overall expediency and efficiency of the activities of the Financial Supervisory Authority during the reporting year. The report also includes recommendations to the Financial Supervisory Authority.

The Parliamentary Supervisory Council consists of nine members appointed by Parliament. The members of the Parliamentary Supervisory Council elect a Chairman and a Vice Chairman from among themselves. The Parliamentary Supervisory Council can appoint from among its members a working division that includes one member of the Parliamentary Supervisory Council in addition to the Chairman and Vice Chairman. The working division is responsible for preparing the matters dealt with by the Parliamentary Supervisory Council.

At the end of 2023, the Parliamentary Supervisory Council consisted of the following members:

**Working division:**

Antti Lindtman (sd), Chairman  
Matias Marttinen (kok), Vice Chairman  
Ville Vähämäki (ps), member  
Katri Kulmuni (kesk), additional member

**Other members of the Parliamentary Supervisory Council:**

Janne Heikkinen (kok)  
Krista Kiuru (sd)  
Sakari Puisto (ps)  
Minna Reijonen (ps)  
Ben Zyskowicz (kok)

In 2023, eight meetings of the Parliamentary Supervisory Council were held in which matters relating to the Financial Supervisory Authority were discussed.

**2.2.2 Board****2.2.2.1 Responsibilities**

The responsibilities of the Board of the Financial Supervisory Authority concerning financial market supervision and administration are set out in

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section 10, subsections 1 and 2 of the Act on the Financial Supervisory Authority.

One of the Board's foremost roles in the field of financial market supervision is to set specific objectives for managing the tasks of the Financial Supervisory Authority referred to in sections 3 and 3a of the Act on the Financial Supervisory Authority (878/2008) and for the operations of the Financial Supervisory Authority, to decide the overall strategy of the Financial Supervisory Authority, and to direct and supervise compliance with the strategy and achievement of the objectives.

Section 3 of the Act on the Financial Supervisory Authority sets out the general mission of the Financial Supervisory Authority. The general mission of the Financial Supervisory Authority is to supervise the operations of financial market participants, and to foster compliance with good practice in, and public awareness of, financial markets. The Financial Supervisory Authority's special fields of activity are also set out in the provision. Section 3a of the Act on the Financial Supervisory Authority relates to the responsibilities of the Financial Supervisory Authority in the Single Supervisory Mechanism and the European System of Financial Supervision.

The key responsibilities of the Board regarding the administration of the Financial Supervisory Authority are to consider the annual budget of the Financial Supervisory Authority and to submit it to the Board of the Bank of Finland for confirmation, and to present a report on the objectives set for the Financial Supervisory Authority and their achievement to the Parliamentary Supervisory Council at least once a year. This includes an assessment of anticipated changes in supervision, their impact on accumulated supervisory fees, and the measures required by the anticipated changes. Furthermore, the Board shall annually consult representatives of financial market participants and representatives of consumers and other users of financial services on the objectives set for supervision and their achievement, budgets and the above-mentioned assessment of anticipated changes in supervision, their impact on accumulated supervisory fees, and the measures required by the anticipated changes.

In addition to the task specified above, the Board is also responsible for the following supervisory tasks pursuant to section 10, subsection 1 of the Act on the Financial Supervisory Authority:

- to approve regulations issued by virtue of law and those guidelines that it has not yet transferred to the Director General for approval;
- to decide on the principles to be observed by the Financial Supervisory Authority in international cooperation;

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- to attend to the development of cooperation between the authorities involved in the supervision of financial markets;
- to attend to the development of the cooperation between authorities (cooperation between authorities in the prevention and combat of crime), as referred to in section 3c of the Act on the Financial Supervisory Authority;
- to order the payment of a conditional fine set by the Financial Supervisory Authority and decide on administrative sanctions provided in chapter 4 of the Act on the Financial Supervisory Authority, administrative sanctions provided in the Act on Preventing Money Laundering and Terrorist Financing, and decide on penalty payments imposed by the Financial Supervisory Authority as referred to in the Act on Certain Powers of the Consumer Protection Authorities;
- to take a decision to set, adjust or keep unchanged a capital add-on as referred to in chapter 10, sections 4, 4a, 7 and 8 of the Act on Credit Institutions, a decision to approve the capital add-on as referred to in section 4d, a decision on the procedure referred to in section 4e, a decision on the procedure referred to in section 6, a decision on the loan-to-value ratio as referred to in chapter 15, section 11, subsection 3 or section 14, subsection 3 of the Act on the Registration of Certain Credit Providers and Credit Intermediaries, or a decision to set the capital requirements for exposures secured by mortgages on immovable property as referred to in Articles 124 and 164 of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, higher than the minimum amount according to the Regulation, or to adjust such a decision, or to apply Article 458 of said Regulation.

In addition to the tasks specified above pursuant to section 10, subsection 2 of the Act on the Financial Supervisory Authority, the Board is responsible for the following administrative tasks:

- to decide on the supervision fees to be levied by the Financial Supervisory Authority and review the plan referred to in section 70;
- to approve the supervision agreements referred to in section 67 and the compensation charged from, or payable to, a foreign EEA supervisory authority for supervisory measures required under such agreements in so far as the Financial Supervisory Authority, under such agreements, undertakes to take over or surrender tasks other than those based on cooperation commitments required under European Union legislation;

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- to present the rules of procedure of the Financial Supervisory Authority to the Parliamentary Supervisory Council for confirmation;
- to approve the principles for competitive bidding in respect of services needed by the Financial Supervisory Authority;
- to make a proposal to the Parliamentary Supervisory Council for appointment and dismissal of the Director General, designation of a deputy to the Director General and suspension of the Director General from office;
- to appoint and dismiss the senior employees of the Financial Supervisory Authority, with the exception of the Director General;
- to decide on suspension from duty or issuance of a warning to employees it has appointed;
- to resolve such matters concerning the internal administration of the Financial Supervisory Authority as are laid down in the rules of procedure;
- to supply the Parliamentary Supervisory Council with an annual report on the activities of the Financial Supervisory Authority;
- to appoint to the Supervisory Board referred to in the Single Supervisory Mechanism Regulation a Financial Supervisory Authority representative, and an alternate for when the representative is unavailable.

The Board shall also decide on those far-reaching and significant matters of principle that the Director General submits to it for consideration.

If requested by a Board member, the Board may take up for consideration a matter that the Director General intends to carry out that must by law be submitted to the Board for information before final decision. The Board may take up such a matter for decision if it may have significant effects on the stability of the financial markets or other financial market developments or cause significant disruptions to the functioning of the financial system. These are matters that concern:

- granting of authorisation to a supervised entity, withdrawal of authorisation, restriction of authorised business, closing down or restriction of the business of a foreign EEA branch or, if decision-making competence lies with another authority, a proposal to grant or withdraw authorisation or restrict business;

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- confirmation of the Articles of Association and by-laws of supervised entities, where the matter is far-reaching or concerns an important issue of principle;
- imposition of an obligation on a supervised entity to take measures for the revocation or correction of an implemented decision, performed measure or procedure;
- restriction of the distribution of funds by a supervised entity;
- imposition of additional capital requirements on a supervised entity;
- restriction of the activities of a supervised entity's management; or
- publication of significant opinions on overall financial market developments.

In addition to the tasks listed in the Act, the Board is responsible for resolving such matters concerning the internal administration of the Financial Supervisory Authority as are laid down in the rules of procedure. In this respect, the rules of procedure of the Financial Supervisory Authority stipulate that the Board decides on the departments of the Financial Supervisory Authority and on the principles of internal control of the Financial Supervisory Authority.

#### **2.2.2.2 Composition**

The Parliamentary Supervisory Council appoints the members and deputy members of the Board.

Under the Act on the Financial Supervisory Authority, the Board of the Financial Supervisory Authority is composed of no more than six members. One of the members is appointed on the basis of a proposal by the Ministry of Finance, one on the basis of a proposal by the Ministry of Social Affairs and Health and one on the basis of a proposal by the Bank of Finland. A deputy member is designated in the same order of procedure for each member appointed on the basis of a proposal by the Ministry of Finance, the Ministry of Social Affairs and Health and the Bank of Finland. In addition, at least two further members are appointed to the Board. Board members and deputy Board members must be conversant with the activities of the financial markets.

At the end of 2023, the Board of the Financial Supervisory Authority consisted of the following members:

Marja Nykänen, Chairman

Deputy Chairman of the Board of the Bank of Finland

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Vice Chairman  
Pauli Kariniemi  
Head of Department, Director General, Ministry of Finance

Liisa Siika-aho (as of 17 February 2023)  
Head of Department, Director General, Ministry of Social Affairs and Health

Lasse Heiniö  
MSc, (SHV) Actuary approved by the Ministry of Social Affairs and Health

Leena Kallasvuori  
MSc (Econ.)

Martti Hetemäki  
Doctor of Social Science, Professor of Practice, Aalto University, University of Helsinki

Katja Taipalus, Head of Department, acted as deputy for Marja Nykänen.  
Paula Kirppu, Senior Ministerial Adviser, Legislative Affairs, acted as deputy for Pauli Kariniemi. Director Jaana Rissanen acted as deputy for Liisa Siika-aho.

On 8 December 2023, the Parliamentary Supervisory Council appointed the Board of the Financial Supervisory Authority for the 2024–2026 term of office. The composition of the Board appointed for the term of office is the same as at the end of 2023.

The Board of the Financial Supervisory Authority met 39 times during 2023.

The Board is quorate if three members or deputy members are present, one of whom must be the Chairman or Vice Chairman.

### **2.2.2.3 Independence**

Members and deputy members of the Board must not belong in the board of directors, body of representatives, board of trustees or auditors of a supervised entity, foreign supervised entity or a pension institution referred to in section 4, subsection 6 of the Act on the Financial Supervisory Authority, nor be employed by these. The provisions of the Administrative Procedure Act apply to the disqualification of members and deputy members of the Board.

### **2.2.2.4 Obligation of disclosure**

In accordance with section 16 of the Act on the Financial Supervisory Authority, Board members and deputy Board members must prior to their appointment disclose information on the following matters:



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- 1) their business activities;
- 2) their corporate holdings and other significant financial assets;
- 3) their liabilities, guarantees and other contingent liabilities;
- 4) their secondary occupations as referred to in section 14 of the Act on Officials of the Bank of Finland; and
- 5) other commitments that may be of significance in assessing their fitness to perform their official duties.

Members and deputy members of the Board must disclose, for entry into a register kept by the Board, any credit received from, or guarantee or other contingent liability granted in his or her favour by, a supervised entity or foreign supervised entity.

During their term of office as a member or deputy member, a member or deputy member of the Board must, without delay, report any material changes in the information disclosed, correct any deficiencies and, where necessary, supplement such disclosures (notification of change). In addition, they must provide an annual notification by the end of January of each calendar year regardless of whether changes have taken place in the matters notified. They must, where necessary, also provide information on the matters falling under the scope of the obligation of disclosure whenever requested to do so by the Financial Supervisory Authority.

The Parliamentary Supervisory Council supervises compliance by Board members and deputy Board members with their disclosure obligations provided in section 16 of the Act on the Financial Supervisory Authority.

Board members and deputy Board members of the Financial Supervisory Authority must report information on shares admitted to trading on a regulated market or MTF in Finland and financial instruments whose values are based on such shares.

The obligation of disclosure applies to persons who either themselves or through their related parties or controlled entities own publicly traded shares, securities giving rights to shares, securities giving rights to such securities, or securities whose values are based on the values of the securities referred to above.

Board members and deputy Board members must submit a declaration of insider holdings within one month of taking up their position. Notifications of change must be provided within seven days of a change in previously presented information taking place.

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The details of the insider register are verified annually. At the beginning of January of each calendar year, each information provider is sent an extract of their information in the insider register. Any errors and omissions in the information must be declared by the end of January of the calendar year.

#### **2.2.2.5 Ethical guidelines**

The Board of the Financial Supervisory Authority has confirmed the Ethical Code of Conduct, which describes the general fundamental ethical requirements for the Financial Supervisory Authority's activities. This code of conduct applies to the members and deputy members of the Board of the Financial Supervisory Authority.

In addition to the above-mentioned code of conduct, ethical guidelines have been drafted regarding the members and deputy members of the Board of the Financial Supervisory Authority. The guidelines concern the members and deputy members of the Board when duties and responsibilities that are clearly related to their position as a member or deputy member of the Board of the Financial Supervisory Authority are in question.

The following themes are addressed in the guidelines:

- independence and avoidance of conflict of interest,
- gifts or other financial benefits,
- accepting invitations and other participation in events arranged by third parties,
- credit, insurance, services and products,
- compliance with instructions regarding trading in securities and insurance investment,
- disqualification and other conflicts.

#### **2.3 Director General**

The Parliamentary Supervisory Council appoints the Director General of the Financial Supervisory Authority.

The Director General of the Financial Supervisory Authority is Tero Kurenmaa.

The responsibilities of the Director General pursuant to section 12 of the Act on the Financial Supervisory Authority are:

- to manage the activities of the Financial Supervisory Authority and take decisions of the Authority other than those falling under the competence of the Board;

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- to assume responsibility for the efficient and expedient performance of the tasks of the Financial Supervisory Authority in accordance with guidelines laid down by the Board;
- to assume responsibility for the appropriate preparation of matters to be discussed by the Board;
- to keep the Board informed of matters and initiatives of which he or she has become aware through the work of the Financial Supervisory Authority, the European Supervisory Authorities and the European Systemic Risk Board and which influence the development of financial markets and financial legislation, and to assume responsibility for other reports to the Board;
- to appoint and dismiss Financial Supervisory Authority employees other than senior employees; and
- to decide on suspension from office or issuance of a warning to employees he or she has appointed.

Further provisions on the responsibilities of the Director General may be given in the rules of procedure. The Director General's powers of decision provided above may also be vested in another official of the Financial Supervisory Authority if specified in the rules of procedure. The contents of the powers of decision are defined more precisely in the code of practice of the Financial Supervisory Authority.

According to the rules of procedure, the Director General shall decide on the issuing of such regulations and guidelines and amendments to regulations and guidelines which do not substantially affect the activities of a supervised entity, the stability of the financial markets or the overall development of the financial markets, or which derive from a clear and imperative provision and do not involve substantial exercise of independent discretion. The Director General shall also decide on the annulment of regulations and guidelines that meet the above-mentioned conditions.

The decision-making power of the Director General has been partially delegated to other employees in relation to the power to appoint and dismiss, and in matters which fall within the areas of responsibility of the respective department and unit. However, the Director General always decides on far-reaching and important issues of principle concerning the entirety of the Financial Supervisory Authority, matters concerning the organisational structure of the Financial Supervisory Authority, and matters guiding the operations of the Financial Supervisory Authority that have an impact on the operations of several departments and units of the Financial Supervisory Authority, provided that, under the Act on the Financial

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Supervisory Authority or the rules of procedure of the Financial Supervisory Authority, they are not for the Board to decide.

## 2.4 Management group and steering groups

The Director General is assisted by an advisory management group. In the management group, decisions are made by the Director General. The management group is composed of employees appointed by the Director General.

The management group is chaired by the Director General of the Financial Supervisory Authority. The members of the management group are heads of department, heads of unit, the advisor to the management and a personnel representative. The Head of Communications has the right to attend.

At the end of 2023, the members of the management group were:

- Tero Kurenmaa, Director General, Chairman
- Jyri Helenius, Deputy Director General, Head of Department
- Marko Myller, Head of Department (ad int) (Head of Department as of 1 January 2024)
- Armi Taipale, Head of Department
- Kaisa Forsström, Head of Department
- Samu Kurri, Head of Department
- Janne Häyrynen, Head of Unit
- Erkki Rajaniemi, Advisor to the Management
- Päivi Turunen, Senior Supervisor (personnel representative)

At the discretion of the Director General, the management group deals with matters falling under the Director General's decision-making power including:

- far-reaching and important issues of principle concerning the entirety of the Financial Supervisory Authority within the area of responsibility of the Director General, as referred to in the Act on the Financial Supervisory Authority, the rules of procedure of the Financial Supervisory Authority and the code of practice of the Financial Supervisory Authority;
- matters concerning the organisational structure of the Financial Supervisory Authority;
- matters guiding the operations of the Financial Supervisory Authority that have an impact on the operations of several departments and units of the Financial Supervisory Authority; and

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- matters that, under the Act on the Financial Supervisory Authority or the rules of procedure of the Financial Supervisory Authority, are for the Board to decide or address.

In addition, at the discretion of the Director General, the management group can deal with other matters within the Director General's decision-making power submitted by Board members or employees.

In accordance with the code of practice approved by the Director General of the Financial Supervisory Authority, matters that fall under the decision-making power of departments and units are addressed in the management group only for a specific reason.

The management group held 48 meetings during 2023.

In addition to the advisory management group, the Financial Supervisory Authority has two steering groups specified more precisely in the code of practice approved by the Director General: the macroprudential steering group, and the supervision steering group.

The macroprudential steering group is responsible for preparing macroprudential policy for the decision-making of the Board.

At the end of 2023, the macroprudential steering group was composed of:

- Tero Kurenmaa, Director General, Chairman
- Jyri Helenius, Deputy Director General, Head of Department
- Samu Kurri, Head of Department
- Erkki Rajaniemi, Advisor to the Management.

Experts also participate in the meetings of the steering group.

The supervision steering group is responsible for the control, coordination and monitoring of the Financial Supervisory Authority's supervision, audit and thematic assessment operations.

The purpose of the supervision steering group is:

- to promote the harmonisation of the supervision practices and supervision interpretations of the Financial Supervisory Authority (when it is possible from the point of view of regulation and other framework conditions), and thus also to contribute towards consistency in predictability and supervision that supports predictability, and strengthening a uniform understanding of the role of a supervisor;
- to promote cross-departmental supervision collaboration;

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- to promote timely and proactive cross-departmental flow of information;
- to make systematic the planning and monitoring of FIN-FSA-level supervision;
- to support more agile focus of supervision in response to changes in the operating environment;
- to enhance both the management group work of the Financial Supervisory Authority by creating more scope for strategic issues, for example, and the strengthening of a shared supervision focus and insight by offering a second FIN-FSA-level forum for addressing supervision matters.

The operational tasks of the supervision steering group include the following:

- to approve the supervision and thematic assessment plan within the framework of the Financial Supervisory Authority's plan of operations;
- to approve the plan for analysis work to support supervision;
- to review the quarterly analyses of the operating environment group and, if necessary, redirect supervision on the basis of the analyses. If necessary, other analyses relevant to the focusing of supervision can also be brought to the steering group;
- to provide guidelines for directing analysis work that supports supervision, if necessary;
- to approve changes to common and potentially common supervision processes and to guidelines with which processes are defined;
- to plan supervision over a period longer than a year, especially in cross-departmental matters;
- to address individual supervision cases especially in matters that have common features or significance across departments;
- to determine supervision methods and interpretations when regulation and other framework conditions (e.g. division of resources) permit a consistent policy;
- to address cross-departmental questions related to organising supervision that affect more than two departments;
- to co-ordinate supervisory operations in the event of disruptions that are relevant for supervision;
- to strengthen, through the above measures, a uniform understanding of the role of a supervisor, in addition to a common supervisory culture.

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Matters that, based on the rules of procedure or the code of practice of the Financial Supervisory Authority, belong within the mandate of the management group of the Financial Supervisory Authority will nevertheless be submitted to the management group even if they have been addressed in the supervision steering group.

The Chairman of the supervision steering group is Jyri Helenius, Deputy Director General. The steering group consists of the heads of the supervision departments and a second member appointed by these from each supervision department. The group meets at least once a month.

### 3 Internal control

The Board of the Financial Supervisory Authority decides on the principles of the Financial Supervisory Authority's internal control. The Director General of the Financial Supervisory Authority is responsible for arranging internal control.

Internal control includes the Compliance Function, which monitors compliance with regulations. The Compliance Function of the Financial Supervisory Authority develops, supervises and reports on the Financial Supervisory Authority's compliance activities. The Compliance function consists of the Financial Supervisory Authority's Compliance Officer, who is appointed by the Board, and the compliance network. The activities of the Compliance Function are based on cooperation between the Compliance Officer and the Financial Supervisory Authority's compliance network.

In addition to the Compliance Function, internal control also includes risk management. The key tasks of the Financial Supervisory Authority's risk management function are to create and implement the Financial Supervisory Authority's risk management principles, to create and implement a risk management model and process, and to report on risks that threaten operations. The Risk Officer, who is appointed by the Board, is responsible for the tasks of the Risk Management Function.

The tasks of the Compliance Function and of the Risk Management Function are defined more precisely in the Financial Supervisory Authority's Compliance Policies and the Financial Supervisory Authority's Risk Management Principles approved by the Board of the Financial Supervisory Authority.

The Internal Audit assesses the efficiency of internal control (including risk management and compliance operations), carries out its audit plans, reports on its observations and recommendations for developing internal control, and functions as an expert in questions related to internal control. The Internal Audit reports on its operations to the Board and the Director



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General of the Financial Supervisory Authority.

The Financial Supervisory Authority's Compliance Officer prepares a synthesis report for the Director General and the Board every six months on the Financial Supervisory Authority's compliance operations and the most significant compliance risks. The Compliance Officer also prepares any other reports and analyses for and as required by the Director General and the Board.

The Risk Officer reports to the Director General, the management group and the Board of the Financial Supervisory Authority annually with the risk management plan, updated risk mapping and risk assessment, which includes the most substantial materialised risks.

The Financial Supervisory Authority's Compliance Officer is Merja Lehtimäki, Chief Legal Advisor. The Financial Supervisory Authority's Risk Officer is Tommi Tulonen, Senior Specialist.

## **4 Employees of the Financial Supervisory Authority**

### **4.1 Independence**

In accordance with section 15 of the Act on the Financial Supervisory Authority, an employee of the Financial Supervisory Authority, while in the performance of his or her responsibilities, shall not have a vested interest in a supervised entity, foreign supervised entity or other financial market participant, nor shall he or she belong to the management board, board of directors, body of representatives, board of trustees or auditors of a supervised entity, foreign supervised entity or other financial market participant, nor be employed by such a supervised entity, foreign supervised entity or other financial market participant. The same independence obligation shall also be applied to a pension institution as referred to in section 4, subsection 6 of the Act on the Financial Supervisory Authority.

The independence of an employee of the Financial Supervisory Authority in carrying out the duties of the European Central Bank's Supervisory Board is laid down in the Single Supervisory Mechanism Regulation (Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions). The members of the Supervisory Board act independently and objectively in the interest of the Union as a whole and shall neither seek nor take instructions from the institutions of or bodies of the Union, from any government of a Member State or from any other public or private body.



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The representative of the Financial Supervisory Authority in the Supervisory Board is Tero Kurenmaa, Director General. He is deputised by Marko Myller, Head of Department.

The independence of an employee of the Financial Supervisory Authority in carrying out the duties of a member of a European Supervisory Authority's Board of Supervisors or Management Board is laid down in the regulations on European supervisory authorities (Regulation (EU) No 1093/2010 of the European Parliament and of the Council establishing a European Supervisory Authority (European Banking Authority), Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority)).

When carrying out the tasks conferred by the regulations concerning the European Supervisory Authorities, the Chair and voting members of the Board of Supervisors shall act independently and objectively in the sole interest of the Union as a whole and shall neither seek nor take instructions from the institutions or bodies of the Union, from any government of a Member State or from any other public or private body. Neither Member States, the Union institutions or bodies, nor any other public or private body shall seek to influence the members of the Board of Supervisors in the performance of their tasks.

The Management Board members of the European Supervisory Authorities shall act independently and objectively in the sole interest of the Union as a whole and shall neither seek nor take instructions from the institutions or bodies of the Union, from any government of a Member State or from any other public or private body. Neither Member States, the Union institutions or bodies, nor any other public or private body shall seek to influence the members of the Management Board in the performance of their tasks.

The representative of the Financial Supervisory Authority in the Board of Supervisors of the European Banking Authority is Marko Myller, Head of Department. He is deputised by Jyri Helenius, Deputy Director General, Head of Department.

The representative of the Financial Supervisory Authority in the Board of Supervisors of the European Insurance and Occupational Pensions Authority is Teija Korpiaho, Chief Advisor. She is deputised by Kaisa Forsström, Head of Department. Teija Korpiaho, Chief Advisor is also a member of the Management Board of the European Insurance and Occupational Pensions Authority.

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The representative of the Financial Supervisory Authority in the Board of Supervisors of the European Securities and Markets Authority is Armi Taipale, Head of Department. She is deputised by Maria Rekola, Head of Division. Armi Taipale, Head of Department, is also a member of the Management Board of the European Securities and Markets Authority.

The independence of an employee of the Financial Supervisory Authority in carrying out the duties of a member of the General Board of the European Systemic Risk Board or other duties related to the board is laid down in the Regulation on the European Systemic Risk Board (Regulation (EU) No 1092/2010 of the European Parliament and of the Council on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board).

When participating in the operations of the General Board and the Steering Committee or when carrying out other tasks related to the European Systemic Risk Board, it is essential that the members perform their duties impartially and in the sole interest of the Union as a whole. They shall neither seek nor take instructions from the Member States, the institutions of the Union or from any other public or private body. No member of the General Board (whether voting or non-voting) shall have a function in the financial industry. Neither Member States, the Union institutions, nor any other public or private body shall seek to influence the members of the European Systemic Risk Board in the performance of the tasks set out in Article 3(2) of the Regulation on the European Systemic Risk Board.

The (non-voting) member representing the Financial Supervisory Authority in the General Board of the European Systemic Risk Board is Tero Kurenmaa, Director General. He is deputised by Samu Kurri, Head of Department.

The provisions of the Administrative Procedure Act apply to the disqualification of Financial Supervisory Authority employees.

## **4.2 Obligation of disclosure**

### **4.2.1 Disclosure referred to in section 16 of the Act on the Financial Supervisory Authority**

The Director General of the Financial Supervisory Authority and employees appointed by decision of the Board must prior to their appointment provide a disclosure as referred to in section 16, subsection 1 of the Act on the Financial Supervisory Authority. Such persons appointed to an office within the Financial Supervisory Authority who, in the course of attending to their official duties, gain access to confidential information on financial markets or the financial position or business secrets of private undertakings or individuals other than on a random basis, must also provide a disclosure.

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The Parliamentary Supervisory Council has decided, on a proposal of the Board, on the offices referred to here.

Pursuant to the above-mentioned binding provisions, the Financial Supervisory Authority employees subject to an obligation of disclosure are the Director General, Head of Department, Head of Unit, Advisor to the Management, Head of Division, an employee in an expert role at the level of Head of Division, and another employee in a position with a level of complexity  $\geq 18$ .

The obligation of disclosure aims to ensure that an appointed person does not have commitments that could objectively be assessed as raising doubts regarding their ability to perform their duties impartially and competently. The obligation of disclosure also aims to prevent a person handling confidential information as referred to in regulations in the course of their official duties from using this information unlawfully for their own benefit or for the benefit or detriment of someone else.

An official of the Financial Supervisory Authority with an obligation of disclosure shall report without delay any material changes in the content of the disclosure, correct any shortcomings observed therein, and otherwise supplement the disclosure as necessary (notification of change). In addition, a person with a disclosure obligation must provide an annual notification by the end of January of each calendar year regardless of whether changes have taken place in the matters notified. Where necessary, a person with a disclosure obligation shall also provide information on the matters falling under the scope of the obligation of disclosure whenever requested to do so by the Financial Supervisory Authority.

The content of the disclosure to be provided is described in more detail above in section 2.2.2.4.

#### **4.2.2 Insider guidelines**

Under section 16, subsection 6 of the Act on the Financial Supervisory Authority, employees of the Financial Supervisory Authority are obliged to disclose their holdings in publicly traded shares, securities giving rights to shares, and securities giving rights to such securities.

The obligation applies to persons who either themselves or through their related parties or controlled entities own publicly traded shares, securities giving rights to shares, securities giving rights to such securities, or securities whose values are based on the values of the securities referred to above.

Employees of the Financial Supervisory Authority shall submit a declaration of insider holdings within one month of taking up their position. Notifications of change must be provided within seven days of a change in previously presented information taking place. The details of the insider



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register are verified annually. At the beginning of January of each calendar year, each information provider is sent an extract of their information in the insider register. Any errors and omissions in the information must be declared.

#### **4.2.3 Annual notification regarding credit, guarantees and other contingent liabilities**

Employees of the Financial Supervisory Authority must disclose, for entry into a register kept by the Board of the Financial Supervisory Authority, any credit received from, or guarantee or other contingent liability granted in his or her favour by, a supervised entity or foreign supervised entity.

The annual notification regarding credit, guarantees and other contingent liabilities must be submitted by the end of January of each calendar year.

#### **4.2.4 Ethical guidelines**

The Board of the Financial Supervisory Authority has confirmed the Ethical Code of Conduct. It describes the general fundamental ethical requirements for the Financial Supervisory Authority's activities. The Code of Conduct applies to all employees of the Financial Supervisory Authority.

In addition to the above-mentioned code of conduct, ethical guidelines have been drafted regarding the employees of the Financial Supervisory Authority.

The following themes are addressed in the guidelines:

- independence and avoidance of conflicts of interest,
- gifts, other benefits and hospitality,
- accepting invitations and other participation in events arranged by third parties,
- accepting a reward for activities performed as a private individual,
- credit, insurance, services and products,
- compliance with instructions regarding trading in securities and insurance investment,
- disqualification and other conflicts.

#### **4.2.5 Ancillary employment**

Employees of the Financial Supervisory Authority shall seek a permit for ancillary employment in writing from the Financial Supervisory Authority if carrying out the ancillary work requires using working hours or could:

- lead to the employee's disqualification in their official duties,
- undermine trust in their impartiality in carrying out the duties,
- in some other way impede the proper implementation of official duties, or



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- as a competing activity evidently harm the Financial Supervisory Authority.

A written notification must be submitted regarding ancillary work carried out during free time. Ancillary work carried out during free time may be prohibited, but only on grounds that constitute unconditional grounds for refusal in granting an ancillary employment permit. An employee of the Financial Supervisory Authority may not carry on an ancillary employment in their free time that constitutes grounds for disqualification, for example, or undermines trust in carrying out official duties.

The annual notification regarding ancillary employment must be submitted by the end of January of each calendar year.