

## Investing in Sweden – Take Note

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It's July, so naturally, things are starting to heat up here in the northeastern part of the US. Taking a look back at the first half of the year, regulatory organizations were also heating up. I have previously written about the need for automation to support global shareholding disclosure obligations due to changes in short position reporting, and to foreign direct investment rules in many jurisdictions but one of the more pressing reasons for automation is sanctions.

During the first half of 2020, regulators were on fire - most notably in Sweden.

Sweden's Finansinspektionen, has issued [80 sanctions](#) against individuals and market participants. Here is the breakdown:

- **38** the number of sanctions issued against asset firms and institutions for late, incorrect, reporting of transactions and shareholding
- **32** the number of sanctions issued against insiders, or natural persons as they are referred to for late or missed transactions reports
- **9** the number of sanctions against firms for late reporting of short selling

While the fines, or as Finansinspektionen prefers to call them fees range from a few hundred USD for failures on part of the individual (insiders), they have recently achieved record numbers of more than \$250k for institutions. Still, compared to other jurisdictions, these "fees" may seem palatable for some in the marketplace but what about the reputational damage that goes with it?

This week in Turkey, the [Borsa Istanbul](#) sanctioned six recognizable firms for neglecting to disclose their short selling transactions from 1 July. Instead of fines, the Borsa imposed temporary bans on the firms ranging from 1 to 3 months.

The point is this, if you are investing in foreign jurisdictions, you may want to consider automating your shareholding disclosure process to reduce your exposure to missed or incorrect filings which may save you from being on the hot seat with a regulator.

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