



Fi2014/1356

**Comments regarding the Ministry of Finance memorandum on sanctions within CRD IV**

The Swedish Corporate Governance Board (the Board) was invited to submit comments to the Swedish Ministry of Finance on its memorandum on sanctions within CRD IV.

In its comments on Ministry of Finance Report Ds 2013:16 on stronger capital requirements rules, which were submitted on 20 November 2013, the Board was critical of the proposal on administrative financial penalties for individuals. In short, the criticism concerned the lack of a clear definition of accepted norms and behaviour against which any action to impose sanctions could be tried; the lack of a requirement regarding subjectivity criteria; the possible extent of financial sanctions; and how the imposition of sanctions would be handled. The Board is therefore pleased to see that these issues have been examined separately and are the subject of this new memorandum.

The memorandum responds to the Board's previous objections. Norms of accepted behaviour are defined more clearly and relate to the breaches of regulations committed by the company; a subjectivity criteria has been introduced as a precondition for liability; and the sanctions process has become more legally sound as a result of the requirement for the Financial Supervisory Authority to bring its case to the Stockholm District Court in the event that the executive concerned does not accept the sanction imposed by the Authority. Additionally, the memorandum provides guidance that the breach of regulation is to be serious and on the magnitude of the financial sanction.

The Board therefore supports the proposals contained in the memorandum.

Stockholm, 28 May 2014

THE SWEDISH CORPORATE GOVERNANCE BOARD

Arne Karlsson  
Chair of the Board

Björn Kristiansson  
Executive Director