

FINLAND

FINNISH FUND TYPES:

In Finland, investment funds are classified as open-ended mutual funds or closed-ended funds, including Alternative Investment Funds (AIFs)

Open-ended funds

Open-ended funds are governed by the Finnish Act on Mutual Funds (also referred to as the Act on Common Funds). These funds consist of pooled assets and associated obligations. Notably, Finnish mutual funds are not independent legal entities and cannot act on their own behalf; they are represented by fund managers.

Open-ended mutual funds are further classified into two types:

- Ordinary mutual funds qualifying as UCITS (sijoitusrahasto)
- Special mutual funds, which are non-UCITS (erikoissijoitusrahasto)

Closed-Ended Funds

Closed-ended funds are typically established as limited partnership companies and generally fall under the definition of AIFs as per the Finnish AIFM Act. However, if a non-UCITS mutual fund is established under the Act on Mutual Funds, it may also be considered an AIF.

FINNISH HOLDING RESTRICTIONS:

1. Restriction on Distribution to Finnish Investors

Notwithstanding any provision to the contrary in the Agreement, the Client shall not, directly or indirectly, sell, distribute, supply, or otherwise make available any Finnish Funds to any Finnish Investor.

2. Tax Reporting Obligations.

The Client shall ensure complete and accurate tax reporting for each end investor is provided to IFSAM. This information must be sufficient to enable IFSAM to forward it to the Management Company (ManCo), the Finnish Financial Supervisory Authority (FIN-FSA), and any other relevant authorities upon request.

3. Disclosure Agreement with End Investors

The Client shall maintain a written agreement with each end investor confirming that, upon justified request, their investment-related information and personal identification details (including full name, tax identification number, etc.) may be disclosed to the ManCo, FIN-FSA, and any applicable authorities. The Client shall also forward corresponding information from its own records if necessary.

4. Sanction laws may restrict the operation of the fund in countries that are subject to sanctions.

5. The funds must not be, directly or indirectly, marketed to, offered to, subscribed for, or purchased on behalf of **U.S. Persons**.

Definitions:

- **Disclosure**
Refers to the provision of all relevant information regarding the Client and the end investor's holdings in Finnish Funds. This includes but is not limited to: the end investor's full name, address, tax identification number, number of fund units held, and detailed specifications of the unit series in their account.
- **Finnish Investors**
Includes all end investors in Finnish Funds who are residents of Finland, Finnish citizens (regardless of residence), and Finnish legal entities such as companies, associations, and foundations.
- **Finnish Funds**
Refers to any investment fund with a Finnish ISIN (FI-ISIN), including mutual funds and non-UCITS funds.
- **Tax Reporting**
Means the provision of the following information at short notice upon request, to enable forwarding to the ManCo, FIN-FSA, and relevant authorities for compliance purposes: each mutual fund unitholder's full name, address (including street, city, and country), tax identification number, number of fund units held, and detailed specifications of the unit series in their account.

Background and Legal Basis

Pursuant to Chapter 9a of the Finnish Act on Mutual Funds,

Section 57 a – Units owned by a foreign (that is, non-Finnish) national or a foreign organization or foundation may be entered in the unit register in the name of the nominee. A precondition for the registration of a unit under a nominee instead of the unit holder shall be the right of the fund manager to obtain information on the ultimate beneficial owner.

Section 57 c – The fund manager and the nominee must enter into a written contract that shall conclude that the nominee (IFSAM) submits to the fund manager the information referred to in Section 53 relating to the respective unit holders, as well as other information required by the fund manager under the legislation on its operations.

Section 57 g – The Finnish Financial Supervisory Authority (FSA), prosecuting and pre-trial investigation authority and other authorities permitted by Finnish law may request the nominee (IFSAM) to provide information such as, but not limited to, the name, home state and the number of units held by the unit holder. The FSA may, alternatively, require a written affirmation that the ultimate beneficial owner of the fund units is not Finnish.

DISCLOSURE:

When holding Finnish investment fund units or shares, clients are obliged to disclose the identity and holdings of clients and ultimate beneficial owners in the following cases:

Disclosure requirements under the Act on Mutual Funds (Sijoitusrahastolaki), also known as the Act on Common Funds (48/1999, as amended);

Tax reporting obligations set down in the Finnish Tax Assessment Procedure Act (1558/1995, as amended) and other Finnish tax legislation. Obligation on IFSAM as a nominee to fulfil any tax reporting requirements to relevant tax authorities relating to the holdings of our clients and ultimate beneficial owners;

AML Disclosure requirements: In order for the fund managers to satisfy their obligations, to the extent required by the local legislation relating to the fight against money laundering and the financing of terrorism, as well as Know Your Client (KYC) requirements.

Important Information:

Disclosure requirements

The client shall respond to any information and/or disclosure request in all cases. Any such request, including requests originating from the fund, the asset manager, a competent governmental or regulatory authority, or any other relevant third party, shall be forwarded by IFSAM to the client for response without assessing the validity or merits of the request. The client's obligation to respond applies either where a response is required under applicable laws, regulations, and mandatory legal or regulatory requirements, or, in the absence of such mandatory obligations, on a voluntary basis following a valid disclosure request forwarded by IFSAM in accordance with the fund's legal documentation and applicable local laws. In all cases, the client shall provide all information necessary in this context.

Clients agree not to unreasonably withhold consent to such requests and undertake to indemnify and hold harmless IFSAM from any damages, liabilities, or claims arising directly from non-compliance with mandatory local disclosure obligations.

In most jurisdictions, disclosure obligations stem from domestic equivalents of the Companies Act, Investment Funds Act, or Anti-Money Laundering legislation, and typically apply to all fund types.

In certain cases, client-related data (including personal and tax information) may be disclosed to the asset manager, fund, distributor, or competent authorities, including tax authorities, if there is a legal or reasoned basis for doing so.

The Disclosure Requirements are provided for informational purposes only and do not constitute legal advice. Clients are strongly encouraged to seek independent professional counsel regarding securities held with IFSAM particularly in jurisdictions where disclosure obligations may apply directly to clients, shareholders, or beneficial owners, even if IFSAM is not subject to such obligations.

Please note that IFSAM may not always receive comprehensive updates or notifications regarding changes to local disclosure requirements.

Ultimately, it is the client's sole responsibility to ensure compliance with all applicable disclosure obligations. Failure to comply may result in penalties, for which the client will be fully liable. Clients are therefore advised to obtain independent legal advice on the existence and interpretation of relevant local disclosure rules.

Note: In all jurisdictions, if a breach of disclosure obligations is suspected—such as exceeding a reportable holding threshold without notification—regulators and authorities may initiate investigations. Disclosure obligations may also be triggered by enforceable judgments issued by competent courts in the relevant jurisdiction.

Cooling Off Period

Distributors using the IFSAM platform are classified exclusively as eligible counterparties / professional clients or professional investors and act as principals vis-à-vis their respective end-clients.

Where such distributors offer products to retail investors—including, for example (but not limited to), ELTIFs subject to a statutory cooling-off (withdrawal) period, the application, monitoring and management of the relevant retail investor protections are entirely the responsibility of the distributor, in accordance with applicable regulatory requirements.

U.S. Person Restrictions

Clients are advised that units of the funds must not be, directly or indirectly, marketed to, offered to, subscribed for, or purchased on behalf of U.S. Persons. If a client becomes aware that any investor qualifying as a U.S. Person has subscribed to units of funds, the client must notify IFSAM immediately.

The term “U.S. Person” refers to the definition provided in the fund’s prospectus, which is based on Rule 902 of Regulation S under the U.S. Securities Act. It explicitly excludes any “Non-United States person” as defined in Rule 4.7 under the U.S. Commodity Exchange Act, as amended.

Holding Restrictions Disclaimer:

The information provided under Holding Restrictions reflects the current legal and regulatory environment and may be supplemented by additional holding restrictions as set out in the prospectus and/or other official fund documentation. While IFSAM believes the information to be accurate, it does not guarantee its completeness or correctness and disclaims any liability in this regard.

In the event of any discrepancy between the information provided by IFSAM, the prospectus and/or official fund documentation and applicable local laws or regulations, the latter shall prevail.



The Holding Restrictions are for informational purposes only and do not constitute legal advice. Clients are strongly encouraged to seek guidance from independent professional counsel to ensure compliance.

Clients are solely responsible for adhering to the applicable holding restrictions including any additional holding restrictions set out in the prospectus and/or official fund documentation and agree to indemnify and hold harmless IFSAM from any loss, expense, liability, damage, or claim—whether direct or indirect—arising from non-compliance.