FIN-FSA
FINANCIAL SUPERVISORY AUTHORITY

Rules of Procedure of the Financial Supervisory Authority

Introduction

(1) In accordance with section 8, paragraph 7 of the Act on the Financial Supervisory Authority (878/2008), the Parliamentary Supervisory Council shall confirm the rules of procedure of the Financial Supervisory Authority upon the proposal of the Board.

1 Scope of application

(1) These rules of procedure set out provisions on the handling of matters to be adhered to in the Financial Supervisory Authority, its decision-making, the responsibilities of its employees and other aspects of internal administration.

2 Employees of the Financial Supervisory Authority, appointment and dismissal

(1) The Financial Supervisory Authority is composed of the Director General, senior employees and other employees.

(2) The senior employees comprise the heads of department and any other employees appointed as senior employees by the Board who are directly subordinate to the Director General. The most senior employee appointed as deputy to the Director General by the Parliamentary Supervisory Council, in accordance with section 8, paragraph 4 of the Act on the Financial Supervisory Authority, is named Deputy Director General. If the Deputy Director General is unable to act as deputy to the Director General, the heads of department of the Financial Supervisory Authority in order of seniority shall act as deputy to the Director General. The secretary of the management group shall notify the Parliamentary Supervisory Council of the deputy.

(3) The Parliamentary Supervisory Council shall appoint and dismiss the Director General, upon the proposal of the Board.

(4) The Board of the Financial Supervisory Authority shall appoint and dismiss senior employees on the proposal of the Director General.

(5) The Director General shall appoint and dismiss other employees of the Financial Supervisory Authority on the proposal of the head of department or unit concerned.

2a Decision-making related to independence requirements

(1) The Parliamentary Supervisory Council shall decide on the cooling-off period of the members and deputy members of the Board and of the Director General, the cooling-off period compensation and the financial penalty pursuant to section 17e of the Act on the Financial Supervisory Authority.

(2) The Board of the Financial Supervisory Authority shall decide on senior employees' cooling-off period and the cooling-off compensation as well as the employees' financial penalty pursuant to section 17e of the Act on the Financial Supervisory Authority.

(3) The Director General shall decide on the cooling-off period and cooling-off period compensation of employees other than senior employees.

(4) The Director General shall decide on the forced sale or transfer of a financial instrument pursuant to section 16d of the Act on the Financial Supervisory Authority and on the authorisation to trade referred to in section 16c, subsection 5 of the same Act.

(5) The Parliamentary Supervisory Council shall decide on a secondary occupation of the Director General.

(6) The Director General shall decide on secondary occupations of employees.

(7) The Director General shall decide on the issuance of guidelines regarding independence.

3 Meetings of the Board

(1) The Board shall convene in accordance with adopted meeting schedules and, where necessary, when summoned separately by the Chair or the Director General. The Board shall appoint a Secretary, who shall draw up the minutes of Board meetings and perform the duties assigned by the Board. The minutes of each meeting are approved at the subsequent meeting. The approved minutes are then signed by the Chair and the Secretary of the Board.

(2) The Board shall convene regularly in its ordinary composition. The Director General shall be present and have the right to be heard at the meetings, except when the matters handled concern the Director General. Deputy members have the right to attend and exercise the speech and voting rights of a member at board meetings only in the absence of the ordinary member for whom they are deputising, unless othervvise decided by the Board. VVhere necessary, the Board may summon employees of the Financial Supervisory Authority or external expert advisers to be heard on individual matters.

4 Submissions before the Board

(1) Matters to be handled by the Board shall be submitted by the Director General or their appointee, except for matters concerning the appointment and dismissal of the Director General or suspension of the Director General from Office. The Director General shall be responsible for the appropriate preparation of matters to be handled by the Board.

(2) Matters pertaining to the internal audit of the Financial Supervisory Authority to be handled by the Board shall be submitted by the Head of the Internal Audit or their appointee.

5 Responsibilities of the Board

(1) The responsibilities of the Board of the Financial Supervisory Authority regarding the supervision of the financial markets are set out in section 10, subsection 1 of the Act on the Financial Supervisory Authority.

(2) The responsibilities of the Board of the Financial Supervisory Authority regarding the administration of the Financial Supervisory Authority are set out in section 10, subsection 2 of the Act on the Financial Supervisory Authority.

(3) In addition to that which is set out in section 10, subsections 1 and 2 of the Act on the Financial Supervisory Authority, the Board shall, in accordance with subsection 3 of the said section, decide on those far-reaching and important issues of principle that the Director General submits to it for consideration. The provisions of section 13 of the Act on the Financial Supervisory Authority shall apply to the right of the Board to consider matters falling under the competence of the Director General.

(4) In accordance with section 10, subsection 4 of the Act on the Financial Supervisory Authority, the povver of decision in respect of issuance of regulations and guidelines vested in the board as referred to in section 10, subsection 1, paragraph 2 of the Act on the Financial Supervisory Authority may in the rules of procedure be transferred to the Director General if the matter is of minor importance

(5) In accordance with section 13 of the Act on the Financial Supervisory Authority, decisions that the Director General intends to make shall be submitted to the Board for information before final decision if they concern matters referred to in subsection 1 of the said section.

(6) If requested by a board member, the Board may take up for consideration a matter referred to in section 13, subsection 1 of the Act on the Financial Supervisory Authority. The Board shall be entitled to take up a matter for decision if it may significantly affect the stability of financial markets or othervvise significantly affect their development or cause significant disruptions to the functioning of the financial system. Notvvithstanding that which is set out in section 13, subsections 1 and 2 of the Act on the Financial Supervisory Authority, the Director General may resolve a matter where a decision needs to be taken as a matter of urgency. Such a decision taken by the Director General shall be submitted ex-post to the Board for information.

(7) The Board decides on the departments of the Financial Supervisory Authority.

(8) The Board decides on the principles of internal Control of the Financial Supervisory Authority.

(9) The Board shall confirm annually its schedule for macroprudential decision-making and Processing of the macroprudential report.

(10) The European Central Bank (ECB) is a competent authority in banking supervision such as is provided in Council Regulation (EU) No 1024/2013 conferring specific tasks on the European Central Bank (ECB) concerning policies relating to the Prudential supervision of credit institutions. Significant banks are under the direct supervision of the ECB. Banks under the ECB's indirect supervision are supervised by the national supervisory authority. The ECB may, hovvever, decide at any time to assume the direct supervision of any of these banks. Taking this into account, the Board shall confirm the principles on how matters regarding the Single Supervisory Mechanism (SSM) matters shall be addressed at board level.

(11) Matters addressed by the ECB as competent authority shall be brought for the examination of the Board of the Financial Supervisory Authority if they have a significant impact on the functioning of the Financial Supervisory Authority or they are fundamental in terms of financial market supervision. Taking into account that which is prescribed on the independence of members of the Supervisory Board in Council Regulation (EU) No 1024/2013 conferring specific tasks on the ECB concerning policies relating to the Prudential supervision of credit institutions, the Board of the Financial Supervisory Authority shall examine these matters but shall not make decisions on these matters nor give instructions to the representative of the Financial Supervisory Authority on the Supervisory Board.

(12) Before the Financial Supervisory Authority expresses an opinion to the European Central Bank (ECB) on an authorisation to be granted to a Finnish credit institution, the matter shall be brought before the Board of the Financial Supervisory Authority for information.

6 Responsibilities of the Director General

(1) The responsibilities of the Director General of the Financial Supervisory Authority are set out in section 12, subsection 1 of the Act on Financial Supervisory Authority. Decisions that are part of the responsibilities of the Director General shall be made by the Director General or, if they are unable to do so, by their deputy. In accordance with section 12, subsection 2 of the Act on the Financial Supervisory Authority, the decision-making power vested with the Director General may under the rules of procedure also be entrusted to another employee of the Financial Supervisory Authority.

(2) 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 orthe 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.

(3) Matters shall be decided on the basis of submissions, unless othervvise provided for in these rules of procedure or in the Financial Supervisory Authority's code of practice, approved by the Director General or required by the urgency of the matter or for other Special reasons.

(4) The Director General of the Financial Supervisory Authority shall keep the Board informed about matters addressed by the Supervisory Board of the ECB in line with the principles confirmed by the Board for addressing Supervisory Board matters in the Board of the Financial Supervisory Authority.

(5) The Director General or an employee appointed by them shall present a matter concerning the imposition of a sanction to the Sanctions Board for the Supervision of Certain Artificial Intelligence Systems referred to in section 13 of the Act on the Supervision of Certain Artificial Intelligence Systems (1377/2025).

7 Management group and steering groups

(1) The Director General may be assisted by an advisory management group. The management group shall comprise employees appointed by the Director General. Minutes prepared on meetings of the management group shall be approved by the Director General.

(2) In addition to an advisory management group, there may be steering groups, more precisely specified in the Financial Supervisory Authority's code of practice, approved by the Director General, which are necessary for the handling of matters. The steering groups shall comprise employees appointed by the Director General. The steering groups, more precisely specified in the Financial Supervisory Authority's code of practice, approved by the Director General, shall report to the Director General in the management group.

8 Delegation of the decision-making power of the Director General

(1) In accordance with section 12, subsection 2 of the Act on the Financial Supervisory Authority, the decision-making power vested with the Director General may under the rules of procedure also be entrusted to another employee of the Financial Supervisory Authority.

(2) The Director General may delegate the decision-making power of the Director General to heads of department, heads of unit and other employees of the Financial Supervisory Authority in matters which fall vvithin their areas of responsibility, except for matters that, under law or these rules of procedure, must be revievved by the Board before a decision on them is taken or which, according to the law or these rules of procedure, are for the Director General to decide. The matters for which the Director General has delegated decision-making power to department heads, unit heads or other employees of the Financial Supervisory Authority are specified in more detail in the Financial Supervisory Authority's code of practice, approved by the Director General. If a head of department is unable to exercise their duties, the Director General may appoint another head of department or the head of unit of the department in question to exercise the head of department's decision-making power

(3) The Director General may delegate the power vested in the Director General to appoint and dismiss employees of the Financial Supervisory Authority to heads of department heads and heads of unit. The content of the povver of appointment and dismissal is specified in the Financial Supervisory Authority's code of practice, approved by the Director General. In addition, the Director General may delegate decision-making regarding employees' cooling-off period, cooling-off period compensation and secondary occupations to heads of department and heads of unit.

(4) The Director General is alvvays entitled to take up for decision matters that have been delegated to a head of department, head of unit or other employee of the Financial Supervisory Authority.

9 Signing of documents

(1) The document of a decision by the Board shall be signed by the Director General and by the Secretary of the board.

(2) The Director General shall sign a decision they make together with the submitter of the matter.

(3) A head of department or head of unit shall sign a decision, for which the decision-making power has been transferred to them, together with the submitter of the matter. The Financial Supervisory Authority's code of practice, approved by the Director General specifies in more detail on the signing of decisions of a technical nature. The right of other employees of the Financial Supervisory Authority to sign decisions is specified in more detail in the Financial Supervisory Authority's code of practice, approved by the Director General

(4) Other documents of the Financial Supervisory Authority shall be signed in the manner specified in the Financial Supervisory Authority's code of practice, approved by the Director General.

(5) Signatures may also be made electronically.

(6) Procurement documents and other documents with legal effect shall be signed as instructed by the Bank of Finland.

(7) In accordance with section 118, subsection 2 of the Constitution of Finland (731/1999), the submitter is responsible for what has been decided about their submission, unless they have

made a dissenting opinion on the decision. A dissenting opinion is recorded in the original copy of the decision that remains with the authority. A dissenting opinion must contain what the nature of submitter's dissent is and the reasons for the dissenting opinion. The submitter shall sign a dissenting opinion they submit and the person deciding the matter shall certify it.

10 Amendment of the rules of procedure

(1) Amendments to the rules of procedure shall be confirmed by the Parliamentary Supervisory Council on the submission of the Board.

11 Entry into force

These rules of procedure shall take effect on 1 January 2023. They repeal the rules of procedure that took effect on 1 June 2017.