Mechanism	Country/availability		
	Finland	**Sweden**	**European Union**
Availability of mechanisms to restrict private benefits of control			
Disclosure obligations regarding block-holding positions	A shareholder has an obligation to notify the offeree company and the Financial Supervisory Authority of its holdings and proportion of voting rights (notification of major shareholding), when the proportion reaches, exceeds or falls below 5, 10, 15, 20, 25, 30, 50 or 90 percent or two thirds of the voting rights or the number of shares of the offeree company. (Securities Markets Act, Chapter 9, Section 5)	Any change in a holding of shares has to be reported where the change entails that the portion of all shares in the company or of the voting interest which is equivalent to the holding reaches or exceeds any of the limits of 5, 10, 15, 20, 25, 30, 50, 66 2/3 or 90 percent or falls below any of the limits set forth in above. (Financial Instruments Trading Act, Chapter 4, Section 5)	The Member States are obliged to ensure that, where a shareholder acquires or disposes of shares of an issuer whose shares are admitted to trading on a regulated market and to which voting rights are attached, such shareholder notifies the issuer of the proportion of voting rights of the issuer held by the shareholder as a result of the acquisition or disposal where that proportion reaches, exceeds or falls below the thresholds of 5 %, 10 %, 15 %, 20 %, 25 %, 30 %, 50 % and 75 %. The home Member State need not apply the 30 % threshold, where it applies a threshold of one-third or the 75 % threshold, where it applies a threshold of two-thirds. (DIRECTIVE 2004/109/EC, Article 9)
Disclosure obligations regarding related party transactions	IFRS rules on related party transactions are applied, but according to the FFSA the compliance has been unsatisfactory. New rules have been introduced in the Finnish Corporate Governance Code. (FFSA official websitesite and FFSA Report on IFRS enforcement in 2014)	IFRS rules are applied. Swedish Securities Council guidance requires that significant related party transactions must be disclosed. (Swedish Securities Council Statement 2012:5) The Swedish self-regulatory system was early in adopting the requirements of	IFRS rules are applied to listed companies. (COMMISSION REGULATION (EU) No 632/2010) Disclosures rules on related party transactions are proposed through amendments to the SHDR: For material transactions with related parties

	A transaction between the company and closely related parties must be disclosed when the decision regarding such a transaction is taken, unless the transaction is insignificant to the parties involved. (Rules of the Exchange, 2.3.3.6) The company shall report the decision-making procedure applied in connection with related party transactions that are material to the company and that either deviate from the company's normal business operations or are not made on market or market equivalent terms. A proposal for a special audit has to be made at an annual general meeting or at a general meeting where the matter is according to the notice to be dealt with. The application may be made, if it is supported by shareholders holding at least one tenth (1/10) of all shares or at least one third (1/3) of the shares represented at the general meeting. In a public company with several share classes, the application may be made if it is supported by at least one tenth (1/10) of all shares in one of the share classes or at least one third (1/3) of the shares in one of the share classes represented at the general meeting. (Limited Liability Companies Act, Chapter 7, Section 7)	openness to the shareholders and the capital market at large of modern corporate governance. Many of these provisions have subsequently been taken over by law, whereas others are now incorporated in the Code. Additional key disclosure requirements are full disclosure of all related party transactions. (Companies Act, Chapter 7, Section 13) A shareholder may submit a proposal for an examination through a special examiner. Where the proposal is supported by owners of at least one-tenth of all shares in the company or at least one-third of the shares represented at the general meeting, the Swedish Companies Registration Office shall, upon request by a shareholder, appoint one or more special examiners. (Companies Act, Chapter 10, Sections 21 and 22)	companies should publicly announce such transactions at the latest at the time of the conclusion of the transaction and accompany the announcement by a report assessing whether the transaction is on market terms and confirming that the transaction is fair and reasonable from the perspective of the company, including minority shareholders. (AMENDMENTS BY THE EUROPEAN PARLIAMENT to the Commission proposal amending Directive 2007/36/EC) Information on any special advantage granted, at the time the company is formed or up to the time it receives authorisation to commence business, to anyone who has taken part in the formation of the company or in transactions leading to the grant of such authorisation must be disclosed in either the statutes or the instrument of incorporation or a separate document published in accordance with the procedure laid down in the laws of each Member State. (DIRECTIVE 2012/30/EU, Article 3)
Procedural requirements for related party transactions (third party approval or assessment;	The company shall evaluate and monitor transactions concluded between the company and its related parties and ensure that any conflicts of	On 31 January 2012, the Swedish Securities Council issued related party rules stating that significant related party transactions are subject to general	Member States shall ensure that material transactions with related parties are approved by the shareholders or by the administrative or

not necessarily by minority shareholder)	interest are taken into account appropriately in the decision-making process of the company. The company shall keep a list of parties that are related to the company. The company shall report the decision-making procedure applied in connection with related party transactions that are material to the company and that either deviate from the company's normal business operations or are not made on market or market equivalent terms. (Finnish Corporate Governance Code, Recommendation 28)	meeting authorisation and that the votes of a related party (including a controlling shareholder) shall be disregarded at the general meeting of shareholders resolving upon the transfer or acquisition. Furthermore, the SSC statement, as opposed to the former rule in the Listing Rules, applies to all transfers and acquisitions of "assets", shares in a subsidiary, or a business between related parties. (Swedish Securities Council Statement 2012:5)	supervisory body of the companies, in accordance with procedures which prevent a related party from taking advantage of its position and provide adequate protection for the interests of the company and of shareholders which are not related parties, including minority shareholders. Member States may provide that shareholders have the right to vote on material transactions approved by the administrative or supervisory body of the company. (AMENDMENTS BY THE EUROPEAN PARLIAMENT to the Commission proposal amending Directive 2007/36/EC, Article 9c)
Equal rights of shareholders (providing legal basis for preventing private benefits of control or disenfranchisement of minority shareholders)	All shares shall carry the same rights in the company, unless it is otherwise provided in the Articles of Association. The General Meeting, the Board of Directors, the Managing Director or the Supervisory Board shall not make decisions or take other measures that are conducive to conferring an undue benefit to a shareholder or another person at the expense of the company or another shareholder. The above mentioned is a general standard only. (Limited Liability Companies Act, Chapter 1, Section 7)	The general meeting may not adopt any resolution which is likely to provide an undue advantage to a shareholder or another person to the disadvantage of the company or another shareholder. (Companies Act, Chapter 7, Section 47) The board of directors or any other representative of the company may not perform legal acts or any other measures which are likely to provide an undue advantage to a shareholder or another person to the disadvantage of the company or any other shareholder. (Companies Act, Chapter 8, Section 41)	Member States shall ensure equal treatment to all shareholders who are in the same position. (DIRECTIVE (EU) 2017/1132, Article 85) Companies are required to ensure equal treatment for all shareholders who are in the same position with regard to participation and the exercise of voting rights in the general meeting. (DIRECTIVE 2007/36/EC, Article 4)
Requirement for independent directors or similar minority representatives	The majority of the directors shall be independent of the company. At least two directors who are independent of the company shall also be independent of the significant shareholders of the company. The Corporate Governance	The Code states that a majority of the members of the board are to be independent of the company and its management. At least two members must also be independent of the company's major shareholders, which	No requirements.

	Code is to be applied in accordance with the 'comply or explain' principle. (Finnish Corporate Governance Code, Recommendation 10)	means that it is possible for major shareholders of Swedish companies to appoint a majority of members with whom they have close ties. The Corporate Governance Code is to be applied in accordance with the 'comply or explain' principle. (The Swedish Corporate Governance Code, 1 December 2016, p. 9)	
Availability of mechanisms to protect cash-flow rights			
Qualified majority requirements for key corporate decisions (mergers, change of articles, deviation from pre-emption rights)	Decision by qualified majority applies to all of the mentioned situations, provided that the proposal has been supported by at least two thirds (2/3) of the votes. If the company has several share classes, it shall be an additional requirement for the validity of a decision on the merger, the demerger, the company going into liquidation, the termination of liquidation and, in a public company, the directed acquisition of own shares that the decision is supported by a qualified majority within each share class represented at the meeting. (Limited Liability Companies Act, Chapter 5, Section 27)	Decision by qualified majority applies to all of the mentioned situations, provided that the proposal has been supported by at least two thirds (2/3) of the votes. A decision by a general meeting to approve the merger plan shall be valid only where supported by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the meeting. Where the company has several classes of shares, the provisions regarding decisions on mergers shall also apply to each class of shares that is represented at the general meeting. (Companies Act, Chapter 7, Section 42 and Chapter 13, Section 2 and Chapter 20, Section 5)	A merger shall require at least the approval of the general meeting of each of the merging companies. The laws of the Member States shall provide that this approval decision shall require a majority of not less than two thirds of the votes attached either to the shares or to the subscribed capital represented. Where there is more than one class of shares, the decision concerning a merger shall be subject to a separate vote by at least each class of shareholders whose rights are affected by the transaction. (DIRECTIVE (EU) 2017/1132, Article 93) Decisions on certain capital measures are subject to qualified majority support. (DIRECTIVE (EU) 2017/1132, Article 83)

Minimum dividend right	At least one half of the profits of the financial period, less the amounts not to be distributed under the Articles of Association, shall be distributed as dividend, if a demand to this effect is made at the Annual General Meeting by shareholders with at least one tenth (1/10) of all shares before the decision on the use of the profits has been made. However, a shareholder shall not demand the distribution of profits in excess of the amount that can be distributed under this chapter in the absence of consent by the creditors, nor in excess of eight per cent (8%) of the equity of the company. The possible distributions of profits during the financial period and before the Annual General Meeting shall be subtracted from the amount to be distributed. However, there are no protective provisions on the calculation of the distributable amounts. (Limited Liability Companies Act, Chapter 13, Section 7)	Upon request by the owners of not less than one-tenth of all shares, the annual general meeting shall resolve upon the distribution of one-half of the remaining profit for the year pursuant to the adopted balance sheet following deductions made for losses carried forward that exceed unrestricted reserves, amounts which, by law or the articles of association, must be transferred to restricted equity, and amounts which, pursuant to the articles of association, shall be used for any purpose other than distribution to the shareholders. However, there are no protective provisions on the calculation of the distributable amounts. (Companies Act, Chapter 18, Section 11)	No EU-wide requirements.
Mechanisms allowing for redemption of minority shares (put and call) or offer at fair price at set level of ownership	A shareholder with more than nine tenths (9/10) of all shares and votes in the company (redeemer) shall have the right to redeem the shares of the other shareholders at the fair price (right of squeeze-out). A shareholder whose shares may be redeemed (minority shareholder) shall have the corresponding right to demand that the shareholder's shares be redeemed (right of sell-out). (Limited Liability Companies Act, Chapter 18, Section 1)	A shareholder who holds more than nine-tenths of the shares in a company (the majority shareholder) shall be entitled to buy-out the remaining shares of the other shareholders of the company. Any person whose shares may be bought out shall be entitled to compel the majority shareholder to purchase his shares. (Companies Act, Chapter 22, Section 1)	Member States shall introduce a redemption right in one of the following situations: (a) where the offeror holds securities representing not less than 90 % of the capital carrying voting rights and 90 % of the voting rights in the offeree company, or (b) where, following acceptance of the bid, he/she has acquired or has firmly contracted to acquire securities representing not less than 90 % of the offeree company's capital carrying voting rights and 90 % of the voting rights comprised in the bid. In the case referred to in (a),

			Member States may set a higher threshold that may not, however, be higher than 95 % of the capital carrying voting rights and 95 % of the voting rights. Member States shall ensure that a holder of remaining securities is able to require the offeror to buy his/her securities from him/her at a fair price under the same circumstances as provided above. (DIRECTIVE 2004/25/EC, Articles 15 and 16)
Mechanisms allowing for redemption of minority shares (put and call) or offer at fair price in significant transactions (mergers, demergers etc.)	A shareholder in the merging company may at the General Meeting that is to decide on the merger demand that his or her shares be redeemed; the shareholder shall be reserved an opportunity to make this demand before the decision on the merger is made. A shareholder who demands redemption shall vote against the merger decision. (Limited Liability Companies Act, Chapter 16, Section 13) In a demerger into an existing company, a shareholder in the demerging company may at the General Meeting that is to decide on the demerger demand that the shareholder's demerger consideration be redeemed; the shareholder shall be reserved an opportunity to make this demand before the decision on the demerger is made. A shareholder who demands redemption shall vote against the demerger decision.	The consideration to the shareholders of the transferor company or companies (merger consideration) shall consist of shares in the transferee company or of cash. More than half of the aggregate value of the consideration shall consist of shares. (Companies Act, Chapter 23, Section 2)	No redemption rights are required in EU regulation but the possibility of redemption is recognized for member states. However, EU regulation requires a few conditions to be followed in the national regulation. (DIRECTIVE (EU) 2017/1132, Article 82)

	(Limited Liability Companies Act, Chapter 17, Section 13)		
Mechanisms to induce voluntary transfer of control			
Neutral tax treatment for maintaining a set level of shareholding	Tax treatment of dividends favours pyramid holding structures, provided that ultimate investment in listed company is over 10 %. (Act on the Taxation of Business Income, Section 6 a and Act on the Taxation of Non-residents' Income and Capital, Section 3)	Tax treatment of dividends favours pyramid holding structures, provided that ultimate investment in listed company is over 10 %. (Act on the Taxation of Non-Residents' Income and Capital, Section 4)	The profits that a subsidiary distributes to its parent company shall be exempt from withholding tax, provided that ultimate investment in listed company is over 10 %. (COUNCIL DIRECTIVE 2011/96/EU, Article 5)
Neutral or favourable tax treatment for transferring control	Tax treatment favours the sale of shares by large shareholders since the sale is a tax exempt if the holding is over 10 % and regarded as fixed assets for income tax purposes. (Act on the Taxation of Business Income, Section 6 b)	Tax treatment favours the sale of shares by large shareholders since the sale is a tax exempt if the holding is over 10 % and regarded as fixed assets for income tax purposes. (Income Tax Act, Chapter 24, Section 33)	EU regulation N/A.
Exemptions available from mandatory bid requirements	If the securities resulting in the exceeding of the bid threshold have been acquired by a takeover bid launched for all the shares of the offeree company and for securities entitling thereto issued by the offeree company or otherwise during the time allowed for acceptance of such takeover bid, the obligation to launch a mandatory bid shall, however, not arise. If there is one shareholder in the offeree company whose proportion of voting rights exceeds bid threshold, the obligation to launch a mandatory bid shall not arise.	Where an obligation to launch a bid has arisen and the obligated party or, where applicable, a party who is closely related, sells shares such that the shareholding does not represent three-tenths of the voting rights for all shares in the company, the obligation to launch a bid shall no longer apply. The aforesaid shall also apply where, within the same period, the obligated party, another party, or the company takes any other measure as a consequence of which the shareholding does not represent at least three-tenths of the voting rights for all shares in the company.	Exemptions are allowed, provided that certain principles are adhered to. (DIRECTIVE 2004/25/EC, Article 5)

	If the exceeding of the bid threshold results solely from measures taken by the offeree company or by another shareholder, the obligation to launch a mandatory takeover bid shall not arise. If the exceeding of the bid threshold results from the shareholders acting in concert upon launching a voluntary takeover bid for the offeree company, the obligation to launch a mandatory takeover bid shall not arise if the acting in concert is restricted solely to the launching of the takeover bid. The obligation to launch a mandatory takeover bid shall no longer exist if the party obliged to launch a bid or another person acting in concert, within one month from the arising of the obligation to launch a bid, waives the proportion of voting rights exceeding the bid threshold by disposing of shares in the offeree company or by otherwise reducing its proportion of voting rights in the offeree company. (Securities Markets Act, Chapter 11, Section 21)	Where the obligation to launch a bid has arisen and the party under the obligation to launch a bid demands a buy-out of the remaining shares within four weeks from the date on which the obligation to launch a bid arose, the obligation to launch a bid shall no longer apply. However, where such a request for buy-out is revoked, rejected, or disallowed, the obligation to launch a bid shall apply. (Stock Market (Takeover Bids) Act, Chapter 3, Section 6) There is also an extensive number of precedents.	
Mechanisms to Facilitate Minority Coordination Problems for Effective Enforcement			
Entire fairness requirements and reversed burden of proof for related-party transactions (involving controlling shareholders)	The Limited Liability Companies Act imposes a reverse burden of proof for any liability of the company's governing bodies that arises from related party transactions.	There is no reverse burden of proof in Sweden but fairness opinions are required. (Swedish Securities Council Statement 2012:5)	Member States shall ensure through adequate safeguards that a related party transaction does not conflict with the company's best interests. (DIRECTIVE (EU) 2017/1132, Article 65)

	(Finnish Corporate Governance Code, Recommendation 28)		
Availability of class action suits or other mechanisms to ease minority coordination problems (especially in cases related to enforcement of standards, such as the principle of the equal treatment of shareholders)	One or several shareholders shall have the right to bring an action in their own name for the collection of damages to the company if it is probable at the time of filing of the action that the company will not make a claim for damages and the plaintiffs hold at least one tenth (1/10) of all shares at that moment, or it is proven that the non-enforcement of the claim for damages would be contrary to the principle of equal treatment. The shareholders bringing the action shall bear the legal costs themselves, but they have the right to be reimbursed for the same by the company, in so far as the funds accruing to the company by means of the proceedings suffice for the same. (Limited Liability Companies Act, Chapter 22, Section 7)	Owners of not less than one-tenth of all shares in the company may, in their own name, commence an action regarding damage to the company. Where a shareholder subsequently withdraws from the proceedings, the remaining shareholders may nevertheless continue to pursue the proceedings. A person who has commenced the proceedings shall bear the litigation costs but shall be entitled to reimbursement from the company for costs which are covered by damages awarded to the company in the proceedings. (Companies Act, Chapter 29, Section 9)	No EU-wide rules.
Special courts or tribunals for company law matters or agencies promoting minority interests (including takeover panels and special redemption proceedings)	Special arbitration is used for redemption proceedings. Takeover panel is also established but with very limited practice. (Limited Liability Companies Act, Chapter 16, Section 13 and Chapter 17, Section 13 as well as Chapter 18, Sections 3 to 10)	Special arbitration is used for redemption proceedings. Takeover panel procedures are applied. (Companies Act, Chapter 22, Section 5)	No EU-wide rules.
Public enforcement of securities laws (disclosure obligations, mandatory bid, if applicable,	Compliance with the mandatory bid rules and fair price provisions shall be supervised by the Financial Supervisory Authority, so a supervisory authority is	The Financial Supervisory Authority monitors compliance with the provisions mentioned on the left and is available to enforce them.	A supervisory authority must be established in each member state for carrying out the obligations provided in the Takeover Directive and Transparency Directive. The authorities

redemption price assessment)	available to enforce these rules and provisions. (Securities Markets Act, Chapter 1, Section 6)	(Financial Instruments Trading Act, Chapter 6, Section 1)	thus designated shall be either public authorities, associations or private bodies recognised by national law or by public authorities expressly empowered for that purpose by national law. They shall ensure that those authorities exercise their functions impartially and independently of all parties to a bid. (DIRECTIVE 2004/25/EC, Article 4 and DIRECTIVE 2004/109/EC, Article 24)