

**Member's Profile**

**Organization Name:** Euroclear Sweden AB

**Country/ Region:** Sweden

**Name of CEO:** Yannic Weber

**Capital (US\$):** million 34,5

**Number of Officers and Employees:** 67

**Ownership and Governance :** Euroclear SA 100 %

**Brief History**

2008 Euroclear Sweden and Euroclear Finland – acquisition by ESA

2004 NCSD – a merger between VPC and APK

2003 A new system for clearing & settlement

2002 New VPC analysis for affiliated Issuers

2001 Pre-match in the VPC system, Service account for Internet and foreign securities

2000 Service Account – a new product

1999 VPC AB, new principle owners, legal monopoly abolished, VPC Analysis, links to other CSD:s

1996 First foreign share in the VPC system

1993 The money market dematerialised

1990 The equity market dematerialised

1989 VPC system put into operation

1971 Värdepapperscentralen VPC AB is established

**Types and number of Participants**

Euroclear Sweden's clients

Clearing members 40

Account Operators 54

Settlement banks 13

Issuers 1 400

Issuer agents 34

Nominees 32

Service account clients 6

**Regulatory Environment**

The Companies Act (SFS 2005:551)

Act on account operations for financial instruments (SFS 1998:1479)

Securities Market Act (SFS 2007:528)

The act on Settlement Systems (SFS 1999:1309)

Tax legislation (Payment Tax Act SFS 1997:483 and Withholding Tax Law SFS 1970:624)

Personal Data Act (SFS 1998:204)

## **Stock Exchanges**

Nasdaq OMX and Nordic Growth Market NGM

## **Other CSDs or clearing organization in your country**

CSD: No

Clearing organization: Nasdaq OMX and Bankgirot BGC

## **Service Provided**

Euroclear Sweden's core business:

Registration (Issuers) – Registration of owners, issues and payment

Clearing (Banks and Brokers) – Matching, clearing and settlement

Account holding (Account Operators/Nominees) – VPC accounts, Service accounts and Nominee accounts

## **Service for Issuers**

Euroclear Sweden's services for issuers are intended for issuers of financial instruments.

For the issuer an affiliation to Euroclear Sweden provides an efficient and safe handling of the company's register of shareholders and of other financial instruments.

We offer a flexible range of services that is suited to both smaller and larger companies.

The main services cover, for example, registers of shareholders, registers of creditors, dividend payments, and other types of corporate actions, such as a rights issue or redemption of shares.

We also process interest payments and redemptions as well as cash settlement of warrants.

Euroclear Sweden offers its participants both clearing and settlement services and account and asset services for holdings.

## **Clearing and settlement services**

Euroclear Sweden offers clearing and settlement for equities and fixed income instruments in SEK and EUR.

- DvP settlement which meets the highest international market standard
- Optional real-time settlement
- Modern matching functions
- Settlement of cross-border transactions
- Payment in central bank money with central bank liquidity provisions
- Optional payments in commercial bank money
- Efficient collateral management and self collateralisation services
- Optimisation features in order to minimise liquidity needs

Euroclear Sweden's clearing and settlement services are focused on providing low-risk and cost-effective settlement on a long-term basis.

**Account and asset services**

The participant is offered the possibility to customize the account structure for its own needs by creating an efficient combination of owner accounts, where investors hold their securities accounts directly with the CSD and nominee accounts, where securities are held with the CSD on behalf of customers.

Euroclear Sweden also provides Service Accounts which are a cost-effective development of the owner account structure. Economies of scale and shared development costs are the prime motivators for intermediaries to use the Service Account. Service Accounts may be used either as a complement or as an alternative to a proprietary custody account system.

Corporate actions are processed on all accounts and dividend and other income events are paid to bank accounts connected to the VPC account. Euroclear Sweden also manages tax collection and reporting.

**Corporate action and securities master data information**

Securities Information offers our participants information about issuer, securities and corporate actions. The service is available via a file interface and as a web-based service. The file interface makes it possible for the participants to integrate the information with their own system.

The web-based service is available via Internet, where the user logs on to Euroclear Sweden's website and performs the wanted searches.

**Eligible Securities**

Equities

Debt Instruments

Rights

Premium Bonds

Warrants

Investment/Mutual funds

Structured products

Derivatives

**Corporate Action services Provided?** Yes

All types of transaction that effect the share capital of a company connected with Euroclear Sweden.

**Value of Securities in Custody (US\$):** million 1.751.373

**Amount of Cash Settled per annum (US\$):** million 14.656.931

**Percentage of Securities Dematerialized:** 100%

**Market Capitalization (US\$)/ Trading volume per annum:** N/A

**Total Revenue/ Expense and Net income per annum (US\$):** million  
Revenue 63,5 Expense 39,3 and Net 24,2

**Memorandum of Understanding/ Business Agreement (Date):** N/A

**Cross-Broader Transaction (Counterpart)**

Euroclear Bank, Nordea Finland, SIS (CH), Crest (GB), VP (DK), BBH (US and CA), Danske Bank and SHB for Iceland.

**Withholding Tax Treatment of Cross-Border Trading Transactions**

In accordance with Swedish law, Euroclear Sweden shall deduct withholding tax on share dividends from CSD registered companies that are disbursed through Euroclear Sweden. Withholding tax is deducted for individuals and legal entities who, at the time of the dividend payment, have a fiscal domicile abroad. 30% withholding tax will be deducted, unless another rate applies pursuant to a double taxation treaty between Sweden and the country where the recipient is fiscally domiciled. The amount of the withholding tax deduction depends on the country of taxation and the tax code registered on the VPC account.

With respect to dividends from foreign countries, foreign tax at source is normally withheld by the company or the foreign custodian bank. Before Euroclear Sweden disburses dividends to recipients with a tax domicile in Sweden, preliminary income tax is withheld. A recipient with a foreign tax code receives no direct reduction of the foreign tax at source, except in cases where special tax processing applies.

Account operators and nominees wishing to offer their customers direct deduction of U.S. tax at source, or other non-Swedish tax at source that can be processed by the VPC system, may contract for special tax processing through a special agreement with Euroclear Sweden.

**DVP Implementation** Yes

**Settlement Period** T+3 for shares and bonds and for fixed income securities issued in the PM sub-market (PM instruments) with a long time to maturity.

PM instruments with a short time to maturity (about 1 year) has a shorter timeframe with settlement period T+2.

**Contact Information**

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