

## CHAPTER I

### General

#### Article 1

#### Scope

This Regulation covers the imposition by the Financial Supervisory Authority of fines and periodic penalty payments on regulated parties.

#### Article 2

Decisions on periodic penalty payments and fines

The Board of Directors of the Financial Supervisory Authority will impose fines and periodic penalty payments by special decision.

The party affected by the decision on fines and periodic penalty payments shall be granted a period of seven days to submit a written protest before the Board of Directors makes a decision pursuant to paragraph 1.

A decision of the Board of Directors on fines and periodic penalty payments shall be notified to the party concerned in a verifiable manner without unreasonable delay.

## Article 3

### Recourse

A regulated party may appeal a decision of the Board of Directors of the Financial Supervisory Authority on fines and periodic penalty payments to the Appeals Committee provided for in Act No. 87/1998 within seven days of notification.

## Article 4

### Amounts of fines and periodic penalty payments

The periodic penalty payments can amount to ISK 10,000-1,000,000 and may be determined as a proportion of certain indicators in the operations of the regulated party.

When determining the amount of periodic penalty payments, consideration may be taken of the nature of the negligence or violation, and the financial strength of the regulated party.

Fines may range from ISK 10,000-2,000,000. The determination of the amount of fines shall take account of the seriousness of the violation and the financial strength of the regulated party.

## Article 5

### Collection of fines and periodic penalty payments

Fines and periodic penalty payments may be collected following the expiry of the time limit for appeal pursuant to Article 3. If a decision is appealed to the Appeals Committee, the fines and the periodic penalty payments may not be collected until a ruling has been issued. Periodic penalty payments and fines are enforceable by law.

Collected fines and periodic penalty payments shall accrue to the State Treasury, net of the collection cost.

Uncollected periodic penalty payments will not be cancelled even if a regulated party subsequently complies with the Financial Supervisory Authority's requests, unless specifically decided by the Board of Directors of the Financial Supervisory Authority.

## CHAPTER II

### Regular disclosures

## Article 6

### Periodic penalty payments for delays in regular disclosures

Periodic penalty payments may be imposed when a

regulated party fails to submit requested documents to the Financial Supervisory Authority.

Requested documents are documents that regulated parties are required to submit to the Financial Supervisory Authority before a set deadline pursuant to law, administrative instructions or in response to a request from the Financial Supervisory Authority for regular disclosures by regulated parties.

## Article 7

### Submission of documents

Documents pursuant to Article 6 are regarded as submitted before the set deadline if satisfactory documentation has been received by the Financial Supervisory Authority on the day of the deadline.

If it appears on processing of the documents that their content is inadequate, the Financial Supervisory Authority will instruct the regulated party to make amends without unreasonable delay. Periodic penalty payments pursuant to Article 6 may be imposed at the discretion of the Financial Supervisory Authority.