
Frequently Asked Questions (FAQ)

Regarding the SWX Swiss Exchange New Eurobond Listing Regime

Status: 6 September 2005

DISCLAIMER

The following overview has been **updated in September 2005** on the basis of the applicable rules as in force at that time. The overview has the **nature of a “snapshot”** and does not predetermine the situation beyond the moment of its compilation. SWX Swiss Exchange **reserves the right to change** the rules, their interpretation, the guidance material, etc. as it may deem appropriate or necessary from time to time, in accordance with the applicable rules and procedures.

This document provides an assessment by the SWX and does **not in any way predetermine the view of any third party**.

Issuers or any other interested parties are **advised to contact their legal advisors or SWX** for information concerning a specific situation or transaction.

FAQ Regarding the SWX Swiss Exchange New Eurobond Listing Regime

#	Question	Answer
1	What is the SWX's new Eurobond listing regime?	On 15 November 2004 the SWX announced its decision to expand the scope of its Listing Rules to permit the listing of Eurobonds and other international debt securities, including convertible and exchangeable bonds. Previously, the SWX had offered listing only in respect of debt securities governed by Swiss law (with the exception of certain drawdowns under debt issuance programmes) and denominated in Swiss Francs, U.S. Dollars or Euros.
2	Why has the SWX decided to introduce the new regime?	The SWX is an internationally recognised stock exchange with Listing Rules and disclosure obligations based on international standards. SWX wishes to expand its operations into the international market to permit the listing of international debt securities. SWX believes that it can offer a competitive and attractive listing platform to issuers seeking a listing for Eurobonds and other debt securities. The EU and its Member States are in the course of implementing widespread changes to their listing regimes. The new rules impose more onerous disclosure obligations on issuers of debt securities, including a requirement that financial information must be prepared in accordance with International Financial Reporting Standards ("IFRS"). Exemptions will be available only to issuers of debt securities in denominations of €50,000 or more (and not at all in the case of convertible bonds). Many market participants have expressed concerns that these new rules will make it significantly more difficult for some issuers to list debt securities on an EU exchange and current and prospective issuers are considering alternatives to an EU listing. SWX believes that it is well placed to offer an alternative listing platform in Europe to these issuers.
3	What are the disclosure requirements for obtaining an SWX listing?	The disclosure requirements that will apply to issuers of Eurobonds and other debt securities seeking a listing on the SWX are those set out in "Scheme B" to the Listing Rules of the SWX available at: http://www.swx.com/download/admission/regulation/templates/scheme_b_en.pdf . The disclosure requirements imposed by Scheme B are broadly similar to the EU disclosure regime before the implementation of the EU Prospectus Directive. Importantly, Scheme B will be available to all issuers of all Eurobonds and other debt securities and will not depend on the denomination of the relevant securities; for convertible bonds some elements of "Scheme A" may also apply.
4	When did the new rules come into force?	The new regime entered into force on 1 February 2005.
5	What are the key features of the new listing regime?	The Issuer (or, alternatively, the Guarantor) must have been in existence for at least three years and financial information of the Issuer or, as the case may be, the Guarantor must be available for at least the two complete financial years prior to listing. The Issuer will be required to produce a prospectus in relation to its application to list securities on the SWX. The prospectus must be in English, German, French or Italian and must set out certain specified information about the issuer and any guarantor as well as the terms and conditions of the securities to be listed. The disclosure obligations are set out in "Scheme B" to the Listing Rules of the SWX that can be obtained via the SWX website http://www.swx.com/download/admission/regulation/templates/scheme_b_en.pdf . They are broadly in line with the UK requirements before the implementation of the EU Prospectus Directive. Financial information must be prepared in accordance with accounting standards acceptable to the SWX (see question 6 below). Issuers will be permitted to incorporate selected information (such as financial statements) by reference (including, in the case of debt issuance programmes, financial statements published after the date of the listing prospectus and filed with the SWX). The prospectus must include an issuer's responsibility statement.
6	Will the SWX accept financial information prepared in accordance with standards other than IFRS?	Yes. For issuers of debt securities, the SWX currently recognises the following accounting standards: <ul style="list-style-type: none"> • Swiss GAAP; • IFRS;

FAQ Regarding the SWX Swiss Exchange New Eurobond Listing Regime

#	Question	Answer
		<ul style="list-style-type: none"> • US GAAP; • the accounting standards of all EU member states and those countries in the European Economic Area; and • the accounting standards applicable to listed companies from Australia, Canada, Japan, New Zealand and South Africa. <p>This list of GAAPs is not final and the Admission Board can accept other accounting standards. Details in respect of the applicable accounting standards can be found in the SWX Directive on Requirements for Financial Reporting available at: http://www.swx.com/download/admission/regulation/guidelines/swx_guideline_20050101-1_en.pdf.</p> <p>The detailed procedure that will have to be followed by an issuer that requests the acceptance of another accounting standard is described in the Admission Board Communiqué No. 3/2005 of 18 April 2005 available at: http://www.swx.com/download/admission/regulation/notices/2005/notice_200503_en.pdf</p>
7	What form must the listing prospectus take?	<p>There is no proscribed format for the listing prospectus and the market standard format for Eurobond prospectuses will be acceptable. This is in contrast to the new EU regime that will require a new three-part prospectus.</p>
8	Will it be possible to list debt securities on the SWX that are issued from debt issuance programmes?	<p>Yes. There are two possible ways in which such securities may be listed.</p> <p>The issuer may use an existing information memorandum for a debt issuance programme that has been approved by a foreign listing authority that is recognised by the SWX (this includes all EU listing authorities). In this case the issuer must produce (i) a pricing supplement for the new issue of securities in accordance with the terms of the programme and (ii) an additional disclosure document containing certain information required by the SWX that is not contained in the original information memorandum – this may be produced by way of a short “wrap around” document to the information memorandum.</p> <p>The second possibility is for an issuer to have its debt issuance programme approved by the SWX. In order to do this, the information memorandum must include all the information required under the SWX Listing Rules. The disclosure obligations are identical to those for stand-alone debt issues. At the time of issue and listing of a drawdown under the programme, the issuer has to file a pricing supplement with the SWX.</p>
9	What is the time frame for a listing on SWX?	<p>The SWX is committed to providing an efficient and client-oriented service and currently commits to grant full listing within four weeks of a full listing application being submitted with the final version of the listing prospectus.</p> <p>In the interim period, the SWX can grant provisional admission to trading for securities that are in the process of obtaining a full listing on the SWX. The provisional admission to trading will take effect three days after filing of the application using the Internet Based Listing (“IBL”) application. Provisional admission to trading provides issuers and investors with the same benefits as a full listing for the short period of time during which listing documents are being finalised and allows the relevant securities to be traded on the SWX. The SWX will grant provisional admission to trading if the issuer can confirm that the basic conditions for listing are fulfilled, that a full listing is being sought and that an application for full listing will be filed within two months of the granting of the provisional admission to trading. For details please refer to Art. 62 LR at: http://www.swx.com/download/about/publications/rules_listing_en.pdf and to the specific acknowledgment on the form to be filed with SWX at: http://www.swx.com/download/admission/regulation/forms/bonds_01_en.doc.</p> <p>A listing application must be filed with the SWX at least one month prior to the scheduled date of listing by the issuer himself or the listing agent appointed by the issuer (see Art. 50 and 50a Listing rules). The SWX will not formally review or comment on the level or detail of disclosure contained in the draft listing prospectus. It is the responsibility of the issuer, usually assisted by its listing agent, to</p>

FAQ Regarding the SWX Swiss Exchange New Eurobond Listing Regime

#	Question	Answer
		ensure that the disclosure obligations imposed by the Listing Rules have been complied with in sufficient detail. The final version of the listing prospectus must be filed with the SWX, who will carry out a review and confirm that each listing rule has been addressed (again, it will not comment on the sufficiency of disclosure). Once confirmation has been obtained, full listing will be granted.
10	Is it necessary that the securities are governed by Swiss law?	<p>No. The SWX no longer requires that debt securities and guarantees be governed by Swiss law. Debt securities and guarantees may now be subject to the governing law of any OECD country. It is therefore possible to use, for example, English or New York law for Eurobonds and other international debt securities. It is also no longer required that issuers provide for an alternative place of jurisdiction in Switzerland. Issuers and bondholders can agree to submit to the courts of any jurisdiction, provided that a place of jurisdiction must be available in the country the laws of which govern the securities.</p> <p>For the detailed regulatory framework, please refer to the Directive on Applicable Law and Place of Jurisdiction for Debt securities at: http://www.swx.com/download/admission/regulation/guidelines/swx_guideline_20040930-2_en.pdf and the Directive on Guarantee Commitments at: http://www.swx.com/download/admission/regulation/guidelines/swx_guideline_20040930-1_en.pdf</p>
11	Are there still restrictions on the currency in which securities may be denominated?	Issuers may issue and list securities on the SWX in the following currencies: Swiss Francs, US Dollars, Euros, GBP, AUD, CAD, DKK, HUF, JPY, NOK, NZD, PLN, SEK, TRY, ZAR, JPY and DKK.
12	Is it necessary for the securities to be cleared through the Swiss clearing system?	No. The SWX no longer requires that SIS Segalnter settle is used to clear debt securities denominated in other currencies than CHF and listed in Switzerland. It is therefore possible to list non-CHF denominated debt securities on SWX that are cleared via Clearstream and Euroclear.
13	Is it necessary for a Swiss paying agent to be appointed?	Yes. A Swiss paying agent will be required, although it is not necessary for this to be the Principal Paying Agent. The Swiss paying agent must be a bank or securities house duly licensed by the Swiss Federal Banking Commission. It is therefore possible for branches and subsidiaries of non-Swiss banks and securities houses to act in this capacity so long as they have the appropriate Swiss authorisations. This requirement is similar to the current rules of the Luxembourg and Irish Stock Exchanges.
14	Are there ongoing disclosure obligations for issuers of SWX-listed debt securities?	<p>Issuers and/or (as may be the case) Guarantors are required to file an annual report within four months of the end of their respective financial years. There is no requirement to file interim financial statements. In addition, issuers must inform the market upon the occurrence of any event that affects the rights attached to the securities. These obligations contrast with the new onerous ongoing disclosure regime to be introduced in the EU under the Transparency Directive. Issuers in the EU will be required to file annual, semi annual and, in some cases, quarterly information prepared in accordance with IFRS and including a management report on the latest changes.</p> <p>For the detailed ongoing obligations, please refer to the Admission Board Circular no. 1 (in particular Annex 2) at: http://www.swx.com/download/admission/regulation/circulars/abcircular_001_en.pdf as well as the Directive on Ad hoc Publicity at: http://www.swx.com/download/admission/regulation/guidelines/swx_guideline_20050701-1_en.pdf.</p>
15	Will it be possible for issuers of debt securities that are currently listed elsewhere to apply to list on the SWX?	<p>Yes. The SWX has introduced a listing procedure for issuers whose debt securities have been listed prior to 1 September 2005 on a foreign exchange recognised by the SWX (including any EU exchange). Details are set out in the Admission Board Circular No. 10 of 1 November 2004 available at: http://www.swx.com/download/admission/regulation/circulars/abcircular_010_de.pdf.</p> <p>Issuers are required to produce an abridged form of listing prospectus including a short summary description of the issuer, the terms and conditions of the securities, the latest financial statements of the issuer (which may not be incorporated by reference but can be attached to the listing prospectus as a separate document) and certain administrative information related to the SWX listing. In addition, the Issuer must make a statement of no material adverse change in respect of the period from the date of the latest accounts. Once an issuer has obtained a listing for specific debt securities on SWX via this procedure, it will be required to delist such debt securities from</p>

FAQ Regarding the SWX Swiss Exchange New Eurobond Listing Regime

#	Question	Answer
		all other exchanges within three months. However, a secondary listing of bonds is not possible at SWX.
16	Is it possible to list Loan Participation Notes ("LPNs") on the SWX?	Yes, the SWX allows the listing of LPNs under certain conditions as described in the Admission Board Communiqué Nr. 9/2005 of 1 August 2005 available at: http://www.swx.com/download/admission/regulation/notices/2005/notice_200509_en.pdf .