

## **ADMISSION BOARD COMMUNIQUÉ NO. 3/2006 OF 31 MAY 2006**

### ***New provisions regarding minimum capitalisation of derivatives issues***

#### I. BACKGROUND

The Admission Board of the SWX Swiss Exchange has determined that the existing rules governing minimum capitalisation of derivatives can hamper issuers in bringing new products to market. In particular for hedging-related reasons (e.g. maximum limits on open interest in futures contracts), certain products can be issued and listed only in limited quantities. The Admission Board has therefore revised this regulation in its decision of 17 May 2006.

#### II. PREVIOUS REGULATION

To date, the **Directive on the Listing of Derivatives** ("DLD") has stipulated in **ref. nos. 39 ff.** that the minimum capitalisation of the entire issue of derivatives to be listed must fulfil one of the following two criteria:

1. The capitalisation of the entire issue of derivatives (number of securities x issuance price) amounts to at least CHF 6 million.
2. The capitalisation of the underlying instruments involved (number of securities x exercise ratio x exercise price) represents an amount between CHF 25 million and CHF 100 million, depending on the type of underlying instrument.

#### III. NEW REGULATION

In the spirit of adopting a market-congruent and simplified regulation in this regard, the Admission Board has decided to revise the rules governing minimum capitalisation as follows:

1. The capitalisation of the entire issue of derivatives (number of securities x issuance price) must now amount to at least CHF 1 million.
2. The alternative means of fulfilling the minimum capital requirement based on the value of the underlying instruments involved (number of securities x exercise ratio x exercise price) will be abrogated without replacement.

Accordingly, DLD will be revised to read as follows:

**Ref. no. 39**      **At the time of submission of the listing application, the capitalisation of the entire issue of derivatives (number of securities x issuance price) must amount to a minimum of CHF 1 million.**

Ref. nos. 40–52    These provisions will be replaced/abrogated by ref. no. 39.

#### IV. ENTRY INTO FORCE

The revised provisions of DLD shall apply to all new issues of derivatives for which an initial application for provisional admission to trading has been submitted on or after **1 June 2006**.

The previous provisions shall remain applicable for all previously existing issues (i.e. those applications for provisional admission to trading submitted prior to 1 June 2006).

The revised Directive on the Listing of Derivatives is accessible in English, German and French on the Internet at

[http://www.swx.com/download/admission/regulation/guidelines/swx\\_guideline\\_20000601-2\\_en.pdf](http://www.swx.com/download/admission/regulation/guidelines/swx_guideline_20000601-2_en.pdf).

Admission Board Communiqués are accessible in English, German and French on the Internet at [http://www.swx.com/admission/regulation/messages/2006\\_en.html](http://www.swx.com/admission/regulation/messages/2006_en.html)