

ADMISSION BOARD COMMUNIQUÉ NO. 11/2006 OF 4 DECEMBER 2006

Revision of the Directive on Requirements for Financial Reporting (DFR)

Cancellation of the Directive on the Enforcement of Financial Reporting Regulations and the Registration of Auditing Bodies

Revision of the Internal Regulations of the Admission Board

Decision of the Admission Board: 1 November 2006

Entry into force: 1 January 2007

I. BACKGROUND

In the interests of streamlining the SWX's rules and regulations, the **Directives on Requirements for Financial Reporting (DFR)** and **on the Enforcement of Financial Reporting Regulations and the Registration of Auditing Bodies** have been reviewed. Experiences drawn from the day-to-day work of the SWX and from the Expert Panel on Financial Reporting have prompted certain changes as regards content, in addition to the rewording of a number of passages in the interests of clarity and accuracy.

On 1 November 2006, the Admission Board decided to amend the DFR and to cancel the Directive on the Enforcement of Financial Reporting Regulations and the Registration of Audit Bodies.

II. CONSEQUENCES

1. Directive on Requirements for Financial Reporting (DFR)

The revised DFR, which is to enter into force as of **1 January 2007**, contains the following material changes:

- Regulation on interim financial reporting for foreign issuers which apply the home-country standard (**ref. no. 21**)
- Regulation on the audit standards to be applied by the auditing body (**ref. no. 22 ff.**)
- Obligation for the issuer to communicate a direct link to annual reports and interim financial reports, in addition to a change to the period regarding the electronic storage of annual reports and interim financial reports, which has been extended from three years to five (**ref. no. 31**)

The revised DFR is accessible in English, German and French on the Internet at:

http://www.swx.com/download/admission/regulation/guidelines/swx_guideline_20070101-2_en.pdf

2. Directive on the Enforcement of Financial Reporting Regulations and the Registration of Auditing Bodies

The Directive on the Enforcement of Financial Reporting Regulations and the Registration of Auditing Bodies will be **cancelled** on the same date the revised DFR enters into force.

The passage on the **confidentiality of proceedings pertaining to financial reporting** will be **included in the DFR (ref. no. 7 DFR)**.

3. Internal Regulations of the Admission Board

Furthermore, the provisions concerning the Expert Panel on Financial Reporting, which previously appeared in Point 2 of the Directive on the Enforcement of Financial Reporting Regulations and the Registration of Auditing Bodies, will **now** be inserted under **Point 5** of the Internal Regulations of the Admission Board.

The revised Internal Regulations of the Admission Board are accessible in English, German and French on the Internet at:

http://www.swx.com/download/admission/board/internal_regulations_010107_en.pdf

III. ENTRY INTO FORCE

Both the revised DFR and the revised Internal Regulations enter into force on **1 January 2007**.

The Directive on the Enforcement of Financial Reporting Regulations and the Registration of Auditing Bodies will be cancelled as of the same date.

The revised DFR and the revised Internal Regulations of the Admission Board will be supplied with the next update to the "Admission of Securities" manual.

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