

## REGULATORY BOARD COMMUNIQUÉ NO. 3/2011 OF 30 JUNE 2011

### ***New "Rules for the Authorisation of International Equity Securities to Trading on SIX Swiss Exchange"***

#### ***Revision of various trading regulations (Rule Book and Directives)***

*Decision of the Regulatory Board of 15 February 2011*

*Entry into force: 1 July 2011*

#### I. BACKGROUND

SIX Swiss Exchange Ltd ("SIX Swiss Exchange") intends to offer its participants additional trading services, or "Over the Exchange" services, such as the SIX Swiss Exchange Liquidnet Service (SLS), for which there are plans to operate a platform in cooperation with Liquidnet Europe Limited for the execution of major block trades in European securities.

In addition to technical modifications, the offering of "Over the Exchange" services necessitates a number of regulatory amendments, including the authorisation to trading of international securities and changes to certain trading regulation.

#### II. RULES FOR THE AUTHORISATION OF INTERNATIONAL EQUITY SECURITIES TO TRADING ON SIX SWISS EXCHANGE (RULES EQUITY SECURITIES, RES)

In order that securities that are not listed on SIX Swiss Exchange can also be accessed via these "Over the Exchange" services, the international securities that are offered must be authorised to trading on SIX Swiss Exchange.

The new "Rules for the Authorisation of International Equity Securities to Trading on SIX Swiss Exchange" (Rules Equity Securities, RHB) thus govern the authorisation to trading of equity securities, as well as measures to ensure market transparency with regard to the trading services offered by SIX Swiss Exchange (Art. 1 Rules Equity Securities).

##### *A. Authorisation to / cancellation of trading*

The new rules provide for **authorisation to trading alone**, as opposed to listing (in accordance with the Listing Rules) and admission to trade (e.g. the Sponsored Segment and international bonds).

The equity securities that may be authorised to trading under the terms of these Rules are securities which confer participation rights (e.g. shares) that are not listed on SIX Swiss Exchange but on an exchange recognised by SIX Swiss Exchange, and are admitted to trading on a regulated market on this exchange (Art. 2 Rules Equity Securities).

Furthermore, these equity securities are **not authorised** to trading on SIX Swiss Exchange **upon application by an issuer or an interested market participant or sponsor**. SIX Swiss Exchange and its Management Committee holds sole and exclusive authority to

decide whether or not these securities should be authorised to trading or should have their authorisation cancelled (Art. 3 Rules Equity Securities).

Securities must fulfil certain requirements before they can be authorised to trading (Art. 5 Rules Equity Securities):

- they must be admitted to trading or listed on a SIX Swiss Exchange-recognised regulated market or on a SIX Swiss Exchange-recognised exchange; and
- they must be so denominated and capitalised that proper market trading may be expected.

### *B. Disclosure obligations*

**No legal relationship exists with the issuer of the securities** that are authorised to trading using trading services offered by SIX Swiss Exchange.

Consequently, the issuer is not obliged to produce a prospectus at the time the securities are authorised to trading, or to make regular or ad-hoc disclosures in order to maintain the security's trading using this SIX Swiss Exchange service and to supply this or other information to SIX Swiss Exchange, the Regulatory Board or SIX Exchange Regulation (Art. 8 para. 1 Rules Equity Securities). It is assumed that these disclosure obligations are fulfilled on the reference market, i.e. the place where the securities are listed or admitted to trading on a regulated market.

Neither SIX Swiss Exchange nor the Regulatory Board or SIX Exchange Regulation is obliged to obtain or to publish information about these securities (Art. 8 para. 2 Rules Equity Securities).

## III. REVISED TRADING REGULATIONS

The introduction of "Over the Exchange" services at SIX Swiss Exchange also necessitates the amendment of a variety of trading regulations so that, from the regulatory perspective, these services can be presented transparently to Exchange participants.

- The **Rule Book** has therefore been amended accordingly. The provision which describes the "Swiss Block" service exclusively in connection with on exchange, off-order-book trades (Clause 11.2 of the Rule Book) has been modified so that, in the future, it will provide the legal basis for all SIX Swiss Exchange "Over the Exchange" services.

Provisions concerning clearing and settlement also had to be amended (Clauses 13.1, 15 para. 2 and 15.1.2.1 of the Rule Book and a new point 15.1.2.2), since they now concern shares traded using the new SIX Swiss Exchange service in addition to shares that are listed on SIX Swiss Exchange.

- Furthermore, **Directive 3: Trading** and **Directive 5: Swiss Block**, which has been renamed "**Over the Exchange**" Services, have been updated.

Detailed information on the revised trading regulations can be found in SIX Swiss Exchange Communiqué No. 33/2011.

#### IV. ENTRY INTO FORCE

The new "Rules for the Authorisation of International Equity Securities to Trading on SIX Swiss Exchange" and the new trading regulations will enter into force on **1 July 2011**.

These rules and regulations are available immediately on the following websites:

– **SIX Exchange Regulation**

Rules Equity Securities:

[http://www.six-exchange-regulation.com/regulation/listing\\_rules\\_en.html](http://www.six-exchange-regulation.com/regulation/listing_rules_en.html) (see under "Other Rules")

Rule Book and Directives:

[http://www.six-exchange-regulation.com/regulation/participants\\_en.html](http://www.six-exchange-regulation.com/regulation/participants_en.html)

– **SIX Swiss Exchange**

Rule Book:

[http://www.six-swiss-exchange.com/participants/regulation/rules\\_regs\\_en.html](http://www.six-swiss-exchange.com/participants/regulation/rules_regs_en.html)

Directives:

[http://www.six-swiss-exchange.com/participants/regulation/directives\\_en.html](http://www.six-swiss-exchange.com/participants/regulation/directives_en.html)

Regulatory Board Communiqués are published in English, German and French on the internet at:

[http://www.six-exchange-regulation.com/publications/communiques/regulatory\\_board\\_en.html](http://www.six-exchange-regulation.com/publications/communiques/regulatory_board_en.html)

[http://www.six-exchange-regulation.com/publications/communiques/regulatory\\_board\\_de.html](http://www.six-exchange-regulation.com/publications/communiques/regulatory_board_de.html)

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