

REGULATORY BOARD COMMUNIQUÉ NO. 1/2013 OF 1 FEBRUARY 2013

New Rules for the Admission of Investment Funds to Trading in the SIX Swiss Exchange-Sponsored Investment Funds Segment

Decision of the Regulatory Board of 26 October 2012

Entry into force: 1 February 2013

I. BACKGROUND

On 1 March 2013, SIX Swiss Exchange Ltd will launch a new trading segment for the **admission of investment funds to trading in the SIX Swiss Exchange-Sponsored Investment Funds Segment**. The Regulatory Board has issued new Rules which govern the admission of investment funds to trading in this segment. The Rules have been approved by the Swiss Financial Market Supervisory Authority, FINMA.

II. RULES FOR THE ADMISSION TO TRADING IN THE SIX SWISS EXCHANGE-SPONSORED INVESTMENT FUNDS SEGMENT

In the SIX Swiss Exchange-Sponsored Investment Funds Segment, a sponsor must apply to SIX Exchange Regulation for the admission to trading of Swiss and foreign investment funds which have been approved by FINMA or authorised by FINMA for sale in and from Switzerland. At the same time, the sponsor undertakes to fulfil obligations relating to reporting and the maintenance of listing, and to guarantee market making activities in this market for the investment funds it sponsors, in the sense of Art. 108 para. 2 LR.

The sponsoring securities dealer or market maker alone functions as counterparty. The issuer of the investment fund is not involved.

SIX Swiss Exchange provides the corresponding electronic trading platform, and thereby enables investors to trade efficiently and cost-effectively via the Exchange as a secondary market. Investors are now able to buy and sell such unlisted fund units at the current market price, thus avoiding the drawbacks of forward pricing (the purchase or sale of fund units at a net asset value-based price that is not set until the following day). To date, investors have only been able to trade such units off-exchange. They are now able to trade using SIX Swiss Exchange's electronic trading system.

Each investment fund may also have more than one sponsor, in which case each individual sponsor is subject to the sponsor obligations, and must meet all of the requirements for admission to trading and the maintenance of such admission to trading.

The Rules are intended to govern the admission to trading on SIX Swiss Exchange of investment funds which have been **approved by FINMA** (Swiss investment funds) or **authorised by FINMA for sale in and from Switzerland** (foreign investment funds). **The admission to trading does not constitute listing in the sense of the Listing Rules. The issuers of the investment funds which are traded are under no obligation to SIX Ex-**

change Regulation and are not required to approve the admission of their funds to trading.

The sponsor (securities dealer, exchange participant) undertakes to fulfil all regulatory obligations in connection with admission to trading, and the maintenance of such admission to trading, for the investment funds which it has registered. The sponsor further undertakes in a market making agreement to ensure proper trading either itself or via a market maker.

The Rules determine **which collective investment schemes** may be admitted to trading (open-ended collective investment schemes, **excluding** ETFs, ETSFs and real estate funds), and describe the **process for the admission to trading, disclosure and reporting obligations, and the cancellation of the admission to trading**. The Rules also set out the **fees for the admission to trading, sanctions in the event of any breaches** of the rules and regulations, as well as **means of legal redress**.

III. ENTRY INTO FORCE

The Rules for the Admission of Investment Funds to Trading in the SIX Swiss Exchange-Sponsored Investment Funds Segment were approved by FINMA on 15 November 2012 and enter into force on **1 February 2013**.

The first investment funds are expected to be admitted to trading before the end of the first quarter of 2013.

The Rules are available on the following web page in English, German and French:

http://www.six-exchange-regulation.com/regulation/listing_rules_en.html

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

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