

# Regulatory Board Communiqué No. 5/2019

of 2 December 2019

## ***Amendment to the Directive on Financial Reporting (DFR)***

### **I Background**

In June 2015, SIX Swiss Exchange AG and Shanghai Stock Exchange signed a Memorandum of Understanding and in April 2019, further specified the details of the planned co-operation. The intention is to offer Chinese companies – both listed in Shanghai and on other Chinese exchanges – the possibility to list global depository receipts (GDR) in Switzerland (at the same time, companies listed on SIX will be offered the possibility to list Chinese depository receipts (CDRs) in China (cross listings)).

A prerequisite for this is, inter alia, the recognition of the financial reporting standards of the People's Republic of China for business enterprises (Accounting Standards for Business Enterprises, ASBE). The Directive on Financial Reporting (DFR) will therefore now also recognise the ASBE financial reporting standards of the People's Republic of China for business enterprises for issuers not listed in Switzerland. The ASBE essentially conform with the International Financial Reporting Standards (IFRS) and are recognised by the EU as equivalent to the EU-IFRS. They are therefore also admitted for foreign issuers on regulated markets in the EU.

### **II Amendments**

Annex 1 clause 2 let. a of the DFR is amended to the extent that the financial reporting standards of the People's Republic of China for business enterprises (Accounting Standards for Business Enterprises, ASBE) are now recognised for issuers not incorporated in Switzerland.

### **III Entry into force**

The revised Directive on Financial Reporting enters into force on 1 January 2020.

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