



Exchange Regulation

**COMMUNIQUÉ NO. 9/2010
OF 17 SEPTEMBER 2010**

Areas of focus for the review of 2010 annual financial statements

Updated IFRS Circular

I. 2010 ANNUAL FINANCIAL STATEMENTS - AREAS OF FOCUS

When reviewing annual financial statements for financial year 2010, SIX Exchange Regulation intends to monitor compliance with the following IFRS regulations in particular (this list applies by analogy for the users of US GAAP):

A. Amended provisions on mergers (IFRS 3R and IAS 27R)

Correct implementation of the accounting rules on contingent consideration, preexisting relationships and transaction costs. When applying the case by case full goodwill method as allowed by IFRS 3p19, the focus is on the valuation of the control premium. SIX Exchange Regulation will in this connection routinely demand the documents for purchase price allocation as part of preliminary investigations.

B. Revenue (IAS 18)

Proper application of the additional precision to distinguish whether a company acts in a business area as a principal or agent (IAS 18 IE21). On the basis of the last annual financial statements, SIX Exchange Regulation will particularly watch out for any disclosure of such amended accounting policies.

C. Disclosure of major sources of estimation uncertainty in the annual financial statements (IAS 1)

Completeness of the disclosure of important assumptions relating to the future, as well as their sensitivities, in accordance with IAS 1p125 ff. SIX Exchange Regulation will ensure that major assumptions are disclosed prominently and are worded clearly. Whether or not circumstances specific to the entity have been addressed transparently and comprehensively in individual cases will also be reviewed.

II. IFRS CIRCULAR

It is recommended that IFRS users consider the **updated IFRS Circular** dated 17 September 2010 (http://www.six-exchange-regulation.com/admission_manual/07_03-

CIR2_en.pdf). This Circular is revised and enhanced each year to support issuers in their application of IFRS.

The SIX Exchange Regulation Communiqués are published in English, German and French on the internet at:

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