



Exchange Regulation

**COMMUNIQUÉ NO. 3/2012
OF 28 SEPTEMBER 2012**

Areas of focus for the annual financial statements 2012 and the financial statements for the financial year 2013

Findings in the financial statements for the financial year 2011

Adjustment to publication practice

I. AREAS OF FOCUS FOR THE ANNUAL FINANCIAL STATEMENTS 2012 AND THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2013

In its review of the annual financial statements for 2012 and the financial statements for the financial year 2013, SIX Exchange Regulation intends to focus in particular on compliance with the following IFRS provisions (also applied in analogy to issuers reporting under US GAAP and Swiss GAAP FER). As a change from the current practice, SIX Exchange Regulation will publish the areas of focus for the financial year 2014 already in March 2014.

1. Critical review of disclosures with respect to their relevance, understandability and timeliness. The information in the notes will be particularly scrutinized to ensure that it does not contain any generic disclosures or facts of lesser importance. Furthermore, the disclosures will be challenged to ensure that they are structured logically and that similar topics are presented together. For further explanations, we refer to margin numbers 5, 6, 12 and 13 of the IFRS Circular.
2. Appropriateness of the measurement of revenues under IAS 18 and the corresponding presentation in the statement of comprehensive income. Particular attention will be paid to the proper presentation of additional lines and subtotals in the statement of comprehensive income in accordance with IAS 1. In this context we encourage you to consult the latest findings on these points, which can be found in margin numbers 10, 26 and 27 of the IFRS Circular.
3. The correct determination of the scope of consolidation with regard to special purpose entities under IFRS 10 and the distinction between "joint operations" and "joint ventures" under IFRS 11 upon adoption of these standards. The annual financial statements for 2012 will also be examined to ensure that disclosures of the expected effects are sufficiently detailed as described in margin number 21 of the IFRS Circular.
4. Appropriateness of the aggregation of groups of provisions as well as the level of detail of the disclosures for each group of provisions, as set out in margin numbers 44 to 47 of the IFRS Circular. Here, enforcement activities will focus on the clear distinction between the disclosures for provisions and those for contingent liabilities. Furthermore, the use of the disclosure exceptions set out in IAS 37 will be scrutinised.

II. FINDINGS IN THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2011

The IFRS Circular contains an overview of the findings communicated by SIX Exchange Regulation in comment letters, agreements and sanctions. It has been updated to include the findings from IFRS semi-annual and annual financial statements for 2011 (http://www.six-exchange-regulation.com/regulation/circulars_en.html). The Circular specifically addresses the findings regarding the presentation of financial statements, revenues, provisions and financial instruments.

For its preliminary investigations, SIX Exchange Regulation assumes that the issuer is familiar with the assistance provided in the Circular on problem areas under IFRS. We therefore recommend a careful review of the Circular, paying particular attention to the additions that have been made, and addressing any necessary changes immediately. If an issuer would like the advance opinion of SIX Exchange Regulation on the treatment of a specific matter, a "pre-clearance" may be initiated provided it complies with the conditions listed at http://www.six-exchange-regulation.com/obligations/financial_reporting/faqs/enforcement_en.html#5.

III. ADJUSTMENT TO PUBLICATION PRACTICE

The Issuers Committee of SIX Swiss Exchange has decided to amend the Directive on Financial Reporting (http://www.six-exchange-regulation.com/regulation/directives/financial_reporting_en.html) effective 1 October 2012, to issue a Communiqué after a sanction notice has been sent to the issuer, or after a sanction request has been sent to the Sanction Commission. This change further aligns the communication about financial reporting procedures with the usual practice applied in the areas of Ad hoc-Publicity, Corporate Governance, Management Transactions and Reporting Obligations.

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

http://www.six-exchange-regulation.com/publications/communiques/six_exchange_regulation_en.html

http://www.six-exchange-regulation.com/publications/communiques/six_exchange_regulation_de.html

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