



Exchange Regulation

**COMMUNIQUÉ NO. 4/2015
OF 30 MARCH 2015*****Areas of focus for the review of 2015 annual and interim financial statements***

When reviewing IFRS financial statements for the 2015 financial year, SIX Exchange Regulation intends to focus on compliance with the following requirements (this also applies by analogy to US GAAP financial statements).

1. *Statement of Cash Flows (IAS 7)*

In the case of cash flows from investing and financing activities, the review will check whether deviations from the gross presentation for the main cash receipts and cash payments exist only in the exceptions listed in IAS 7. Where cash flows in foreign currencies are translated into Swiss francs at the average exchange rate, the review will examine whether the exchange rate used approximates the actual rate. The review will also check whether cash flows from discontinued operations (operating, investing and financing activities) are presented in the statement of cash flows or in the notes. For further explanations with regard to the statement of cash flows, please refer to margin numbers 16 to 19 of the IFRS Circular of 19 September 2014 ("IFRS Circular").

2. *Fair Value Measurement (IFRS 13)*

A plausibility test will be conducted on the allocation of assets carried at fair value to one of the three hierarchical levels. For assets in Level 1, a critical assessment will be conducted of whether regular transactions take place between independent third parties in the markets in which the assets are traded. The valuation models will be reviewed to establish whether the material input parameters for Level 2 assets can actually be observed in an active market. Whether information on the measurement of the fair value of financial assets also appears in the interim financial statements will also be checked. Here we would also like to draw your attention to margin numbers 63 to 66 of the IFRS Circular.

3. *Earnings per Share (IAS 33)*

The calculation of undiluted and diluted earnings per share will be examined, taking into account the treatment of the company's own shares and non-controlling interests. The correctness and appropriateness of the presentation in the statement of comprehensive income and in the notes will also be verified and questioned, for example in connection with the way in which discontinued operations under IFRS 5 are presented, or with regard to the disclosure of additional earnings per share. For further explanations, we refer to margin numbers 33 and 34 in the IFRS Circular.

The review of Swiss GAAP FER financial statements for the 2015 financial year will focus on the application of the additional recommendations for listed companies (Swiss GAAP FER 31), which became effective on 1 January 2015. As part of this, a plausibility test will be

conducted on disclosures on the impact of changes in loss carryforwards on corporate income tax. The reconciliation of undiluted and diluted earnings per share will also be reviewed. In the case of Swiss GAAP FER interim financial statements, in addition to compliance with the new requirements the review will also check that simplifications to these interim financial statements do not distort the way in which business performance is presented.

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