



Exchange Regulation

COMMUNIQUÉ NO. 2/2017 OF 4 APRIL 2017

Areas of focus for the review of 2017 annual and interim financial statements

When reviewing financial statements for the 2017 financial year, SIX Exchange Regulation intends to focus on compliance with the following IFRS requirements (this also applies by analogy to issuers reporting under US GAAP).

1. *Employee benefits (IAS 19)*

The completeness, understandability and quality of disclosures concerning defined benefit plans under IAS 19 will be reviewed. The selection of the key financial and actuarial assumptions that have been disclosed will also be examined critically. As part of this, changes in financial or demographic assumptions will be compared with the sensitivity analyses for each key actuarial assumption to determine their impact on the defined benefit obligation.

2. *Disclosure of interests in other entities (IFRS 12)*

Disclosures concerning significant judgements and assumptions made in respect of the treatment of interests in other entities as subsidiaries, joint arrangements or associates will be subject to a critical review of their appropriateness and relevance. Here, contractual agreements and other evidence may be obtained to justify the judgements and assumptions that have been made. In the case of investment entities, the review will also extend to the comprehensibility of the disclosures of the significant judgements and assumptions concerning fulfilment of the definition of an investment entity and the applied provisions on the consolidation of subsidiaries. For further explanations, we refer to margin numbers 78 and 79 of the Financial Reporting Circular of 13 October 2016 ([Financial Reporting Circular](#)).

3. *Accounting policies, changes in accounting estimates and errors (IAS 8)*

In the event of changes to accounting policies, the review will examine whether these have been made owing to a new or amended IFRS regulation, or whether the change results in the presentation of more reliable or more relevant information. Whether or not the changes have been applied correctly, i.e. retrospectively, and have been marked clearly, will also be assessed. The information provided in this regard will also be checked. Information on new IFRS standards that have not yet been applied will also be evaluated. In the case of standards that are to be applied in the following financial year, it is expected that the report will explain their qualitative and quantitative effects. In this connection we would also like to draw your attention to margin numbers 24 to 26 of the [Financial Reporting Circular](#).

The review of 2017 financial statements prepared under Swiss GAAP FER will focus on the consistent application of accounting policies for acquisitions. Procedures under Swiss GAAP FER 30/14 for valuing the net assets that have been acquired, as well as their disclosure, will be examined, especially in relation to tangible fixed and intangible assets. For acquisitions of subsidiaries, joint ventures and associated organisations, a consistent application of the accounting policies that have been determined for the treatment of goodwill (i.e. set off or recognition in the balance sheet), and the related disclosures will be expected. Here we would refer you to margin number 94 of the [Financial Reporting Circular](#).

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