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By Andrea Huber

Areas of Focus for the Review of 2009 Annual Financial Statements: In its review of the 2009 annual financial statements, SIX Exchange Regulation intends to focus in particular on compliance with the IFRS provisions regarding (i) measurement and disclosure of financial instruments (IAS 39/IFRS 7), and (ii) reporting on operating segments (IAS 36/IFRS 8). This list also applies to the issuers that apply US-GAAP. Further, as of 30 September 2009, the IFRS Circular No. 2 has been revised and amended. IFRS Circular No. 2 substantiates the obligations of issuers who have chosen to apply IFRS accounting standards and makes reference to IFRS rules that, in a number of instances, have given rise to complaints from SIX Exchange Regulation (for further details see http://www.six-exchange-regulation.com/admission_manual/09_05-SER200905_en.pdf).

Areas of Focus for the Review of 2009 Annual Reports with regard to Compliance with the Directive on Information relating to Corporate Governance (DCG): With respect to the corporate governance section of the 2009 annual reports, SIX Exchange Regulation will in particular pay attention to the (i) content and method of determining compensation and shareholding programmes (point 5.1 Annex DCG), (ii) additional fees paid to external auditors (point 8.3 Annex DCG), and (iii) information instruments pertaining to an external audit (point 8.4 Annex DCG). By rigorously enforcing the provisions of the DCG, SIX Exchange Regulation aims to improve the transparency of periodic reporting, in particular relating to corporate governance (for further details see http://www.six-exchange-regulation.com/admission_manual/09_04-SER200904_en.pdf).

Listing of Collateral-Secured Instruments: SIX Swiss Exchange AG (SIX), in collaboration with SIX SIS AG (SIS), offers issuers a service to collateralize certificates. A collateral provider will secure such instrument in favour of SIX. The collateralization is based on the "Framework Agreement for Collateral Secured Instruments", which the issuer and the collateral provider conclude with SIX and SIS. If certain events defined in the Framework Agreement occur, the collateral will be liquidated (for further details see http://www.six-swiss-exchange.com/download/admission/cosi/ibt_fs_aug09_en.pdf).

Trading in Defaulted Bonds after Maturity: Under the Rules for Trading in Delisted Bonds on SIX Swiss Exchange of 29 October 2008, delisted bonds from issuers in liquidation or similar proceedings may be traded on SIX. These rules apply *mutatis mutandis* to trading in defaulted bonds which have not been repaid upon maturity. Any SIX participant may apply for trading in defaulted bonds. Different from delisted bonds, defaulted bonds are only admitted for trading for a limited period of twelve months after their maturity; this period can be extended (for further details see http://www.six-exchange-regulation.com/admission_manual/08_02_04-COM200904_en.pdf).

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