



## Media Release

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**SIX Exchange Regulation**  
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### Sanction Proposal against CI Com SA

**SIX Exchange Regulation has submitted a sanction proposal against CI Com SA to the Sanction Commission of SIX Swiss Exchange. After completion of its investigation SIX Exchange Regulation is of the opinion that CI Com SA violated the applicable accounting standards Swiss GAAP FER in its 2012 interim financial statements and its reporting obligations.**

The alleged errors relate to the failure to perform a current valuation of an investment property, missing notes explaining significant changes in the income statement and balance sheet as well as failures to report changes of business activities.

In the opinion of SIX Exchange Regulation, CI Com SA (Geneva) has committed the following violations:

CI Com SA abstained from performing a current valuation of an investment property in the 2012 Swiss GAAP FER interim financial statements, which resulted in the loss for the period being understated by CHF 76,000 or 40%. Furthermore, the Company omitted explaining material changes of balance sheet and income statement positions in the notes to the 2012 Swiss GAAP FER interim financial statements.

CI Com SA has also failed to immediately inform SIX Exchange Regulation of changes in its business activity, whereby the Company would have qualified as real estate company as of 1 January 2011 and as investment company as of 17 October 2012. As a result, the company was not allocated to the appropriate regulatory standard for real estate companies and investment companies, respectively, both of which have additional disclosures and valuation requirements for the financial reporting.

The allegations of SIX Exchange Regulation are disputed by CI Com SA.

The length of the sanction proceedings is not defined. SIX Exchange Regulation will inform the public about the outcome of the sanction proceedings. Until that time no further information will be provided about the ongoing sanction proceedings.

#### **Appendix regarding the accounting standards**

Periodic financial reporting is part of the information required to ensure a functioning market.

Information regarding financial reporting can be found at:

[http://www.six-exchange-regulation.com/obligations/financial\\_reporting\\_en.html](http://www.six-exchange-regulation.com/obligations/financial_reporting_en.html)



### **Swiss GAAP FER 18 "Tangible fixed assets" in conjunction with Swiss GAAP FER 12 "Interim Reporting"**

According to Swiss GAAP FER 18/14, tangible fixed assets held for investment purposes should subsequent to initial recognition be measured at actual value or cost less accumulated depreciation. Swiss GAAP FER 12/4 further requires the interim reporting to be prepared on the basis of the same principles as the annual financial statements. Therefore, a current valuation is also required in the interim reporting.

### **Swiss GAAP FER 12 "Interim reporting"**

Swiss GAAP FER 12/5 requires that the notes must enable the reader to form a well-founded opinion of the development of activities and the course of business of the organisation. Therefore, all the notes must describe all factors, that have a significant impact on the financial position, the cash flows and the result of operations of the organization during the reporting period.

### **Directive on Financial Reporting (DFR)**

According to articles 15 and 17 DFR, a company has to report immediately to SIX Exchange Regulation a change of business activity, which results in a company being reclassified as an investment or as a real estate company, respectively.

### **Section 2.9.7 Scheme B – Investment Companies to the Listing Rules (LR)**

Additional disclosures are required for investment companies which provide the reader with an improved transparency regarding the specific risks in connection with the investments.

### **Sections 2.3.2 and 2.7.9 Schema C – Real Estate Companies to the Listing Rules (LR)**

Real estate companies have to provide additional disclosure regarding the real estate portfolio. Furthermore, there are specific requirements regarding the valuation of real estate by external experts.

Should you have any questions, please feel free to contact Dr Alain Bichsel, Head Media Relations.

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### **SIX Exchange Regulation**

SIX Exchange Regulation performs the functions assigned under Swiss federal law and enforces and monitors compliance with the rules laid down by the Regulatory Board. SIX Exchange Regulation imposes sanctions in so far as it is authorised to do so by the regulations, or submits sanction requests to SIX Swiss Exchange's Sanction Commission.

SIX Exchange Regulation's independence from SIX Swiss Exchange's operating business is guaranteed by its direct subordination to the Chairman of the Board of Directors of SIX Group. SIX Exchange Regulation consists of



the divisions Listing & Enforcement, responsible for regulating issuers, and Surveillance & Enforcement monitoring trading.

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#### **Sanction Commission**

The Sanction Commission can impose sanctions in the case of violations of the Rule Books of SIX Swiss Exchange and Scoach Switzerland, the Listing Rules and the Additional Rules. It is composed of between five and eleven members. The Chairman of the Sanction Commission and half of its members are elected by the Regulatory Board, with the remaining members appointed by the Board of Directors of SIX.

**SIX** operates Switzerland's financial market infrastructure and offers on a global scale comprehensive services in the areas of securities trading, clearing and settlement, as well as financial information and payment transactions. The company is owned by its users (approximately 150 banks of various size and orientation) and, with its workforce of more than 3,900 employees and presence in 25 countries, generated an operating income of 1.26 billion Swiss francs and a Group net income of CHF 218.6 million in 2011.

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