



## Media Release

11 March 2014

**SIX Exchange Regulation**  
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### Weatherford International Ltd. fined by Sanction Commission

The Sanction Commission has imposed a fine of CHF 250,000 against Weatherford International Ltd. for an error in its 2011 US GAAP financial statements. The sanction relates to an incorrect calculation of the income taxes in the 2011 financial statements.

Weatherford International Ltd. has violated the Accounting Standards Codification (ASC) 740 "Income Taxes" in its 2011 annual US GAAP financial statements by understating the income tax expense related to changes in the deferred tax provisions by USD 56 million. As a result of this error, the net income for the year was overstated by 20%.

<b>Financial statements position</b>	<b>2011 in USD million</b>	<b>2011 (restated) in USD million</b>	<b>Error in USD million ( %)</b>
Tax expense	-486	-542	-56 (+11.5%)
Net income for the year	278	222 <sup>1)</sup>	-56 (-20%)

<sup>1)</sup> The net income for the year 2011 in the restated financial statements as of 17 December 2012 amounts to USD 205 million. Besides the error correction related to the income taxes, Weatherford International Ltd. recorded further corrections of USD 17 million which were not subject to these sanction proceedings.

SIX Exchange Regulation has submitted a sanction proposal to the Sanction Commission. Considering the severity of the breach and the degree of fault, the Sanction Commission has imposed a fine of CHF 250,000 against Weatherford International Ltd.

#### 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)



### **US GAAP Accounting Standards Codification (ASC) 740 “Income Taxes”**

According to ASC 740-10, an entity has to recognize the amount of taxes payable for the current year and the deferred tax liabilities and assets for the future tax consequences resulting from temporary differences between the accounting and tax values of its assets and liabilities.

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 SIX Structured Products Exchange (formerly 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 3,500 employees and presence in 24 countries, generated an operating income of 1.14 billion Swiss francs and a Group net income of CHF 320.1 million in 2012.

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