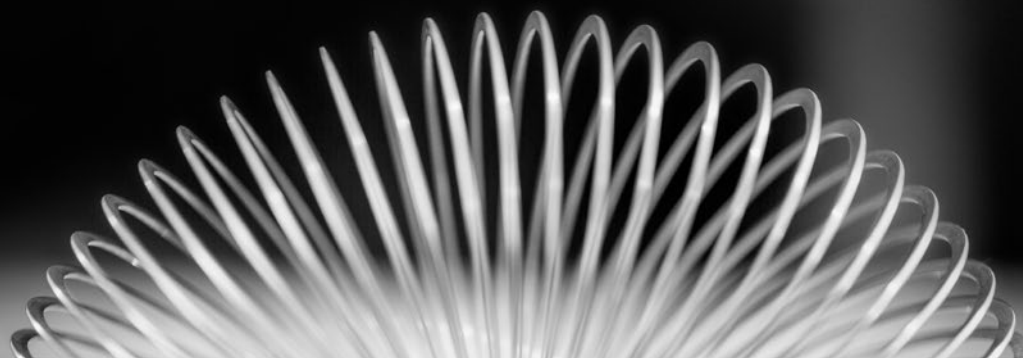




SIX Flex®

FinfraG Reportability

Your Reliable Source for Financial Instruments Falling under the FinfraG Reporting Obligation Article 39



Challenge

Article 39 of the Swiss Financial Market Infrastructure Act (Finanzmarktinfrastrukturgesetz, FinfraG) sets out the reporting duties of market participants admitted to trading on a Swiss trading venue to provide all the information necessary for transparent securities trading. The FinfraG reporting obligation entered into force on 1.1.2018.

As the Swiss financial supervisory body, FINMA has issued a Circular which defines all reportable securities transactions under FinfraG. Reportable securities include standardized derivatives suitable for mass trading, such as exchange traded derivatives (ETDs), warrants and structured products, including exchange-traded products (ETPs, ETCs and ECNs).

Together with the actual reportability information (or, where applicable reportability exemption) the FinfraG classification data on instrument level also includes information allowing to distinguish reportable Swiss securities from Foreign securities and reportable Derivatives as per the definition set forth in the FINMA Circular.

FinfraG classification data is delivered on the financial instrument level which means that the criteria “tradable on a Swiss venue” is considered in the rule set. Rules-based classifications are complemented by issuer-confirmed FinfraG reportability and non-reportability codes ensuring that users of the data receive reportability status information either from the SIX rule set or from the issuer of the instrument.

Derivatives that are not traded on a Swiss trading venue pose a particular challenge for the identification of FinfraG reportable transactions. The FinfraG Reportability information of the underlying instruments need to be known and in addition the individual weightings of the underlying instruments needs to be considered.

The FinfraG classification rules set ensures that the FinfraG status of underlying instrument is being checked and the weighting threshold of 25% considered when allocating a Reportable Derivatives code.

Where the weighting information for the underlying instruments is incomplete or missing a “potentially reportable” code is being allocated. A dedicated code is assigned for Actively Managed Certificates (AMCs) where the underlying instruments and their weighting information changes frequently.

The FinfraG Reportable Instrument information in SIX Flex is provided as a SIX Managed Subscription that includes all active financial instruments that have a FinfraG classification. Subscribers receive an initial full file of all FinfraG instruments and subsequently a change file of all new FinfraG instruments or instruments with changed classification. A full file can be requested again at any time.

Primary Audience

Financial Institutions that are trading instruments admitted to trading on Swiss trading venues.

Common Use Cases

Asset servicing, issuance and settlement services, trade and transaction processing.

Available Content

SIX supports financial institutions in their reporting efforts according to Article 39 by providing FinfraG eligibility information for financial instruments used in transactions that fall under the duty to report securities transactions. Currently around 3.5 million financial instruments carry FinfraG data.

In addition to the FinfraG content set, SIX also provides Trading place data such as classification of FINMA recognized trading venues as well as trading and listing status information for securities that are tradable at Swiss venues.

Features and Associated Benefits

- Reliable identification of financial instruments that fall under the FinfraG Art. 39 reporting duties as the rules set continuously checks the tradability criteria of all active instruments.
- The override information for issuer-confirmed FinfraG codes ensures that subscribers receive FinfraG classification updates automatically from a trusted source. All classification changes including deletions are reflected in the FinfraG SIX Flex files.
- Potentially Reportable derivatives are marked with a dedicated code allowing for screening of potentially over-reported transactions.
- Easy flat structure of the FinfraG SIX Flex files optimized for automated regular processing.
- Daily delivery of the FinfraG SIX Flex file can be scheduled from 6 AM thus ensuring the most up-to-date instrument classification are available at the start of the trading day.

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We have offices in over 20 countries, to get in touch with your local SIX office visit www.six-group.com/contacts

SIX Financial Information Ltd.
Hardturmstrasse 201
P.O. Box
CH-8021 Zurich

T + 41 58 399 2111
www.six-group.com/financial-information

