



Market Consultation – Swiss Bond Index

June 10, 2025



Market Consultation

PURPOSE

This market consultation aims to gather information about the inclusion of first-time bond issuers in the Swiss Bond Index (SBI). The goal is to collect information from the broad market on the topic of first-time issuers and help make informed decisions whether to leave the rules unchanged, modify existing rules or introduce new ones. The scenario of first-time issuers was brought up to SIX by clients and users of the SBI and SIX is seeking more detailed information from the users of the SBI how they view the situation around first-time bond issuers.

FEEDBACK AND REVIEW PROCESS

The feedback gathered through the market consultation will be consolidated and reviewed both internally and with the bond index commission. Only after these discussions which may also include the outreach to further respondents of this survey to clarify the feedback SIX will decide whether to implement any changes or leave the rules unchanged. If a change is decided upon, it will enter into effect no earlier than three months after its notification.

TIMELINE

The market consultation will remain open until 29 August 2025 and can be accessed via

<https://forms.office.com/e/Fw27YhRpm6>

Please note that feedback will only be accepted through this form



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BACKGROUND

First-time bond issuers in the CHF bond market often face challenges due to the lack of both investment research from domestic banks, and credit ratings from international rating agencies¹.

SIX has also observed that domestic issuers with smaller issue sizes may avoid pursuing credit ratings from international agencies due to cost concerns. This situation is particularly difficult for Swiss companies, as there is only one domestic rating agency in Switzerland, and investment research is provided by just two banks. SIX is not aware of any plans by banks or groups of banks to offer additional investment research but would encourage and support such initiatives to include this information in the SBI composite rating.

¹ - For the purpose of this survey, 'International Rating Agencies' refer to S&P, Moody's, and Fitch, while 'Domestic Rating Providers' refer to UBS, ZKB, and Fedafin

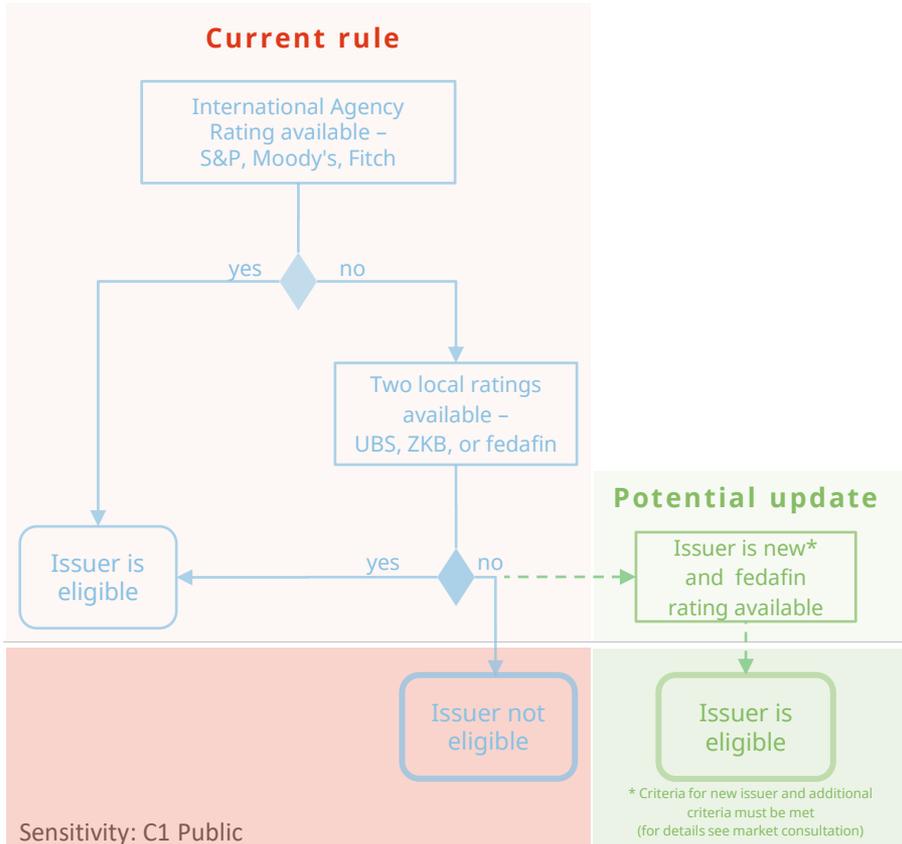
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CURRENT RULE

Currently, the index rules of the Swiss Bond Index (the 'SBI') stipulate that a CHF bond or its issuer must be rated by at least one of the 'International Rating Agencies'. If no such rating is available, the issuer must be rated by at least two of the 'Domestic Rating Providers'. The eligible ratings are used to calculate the SBI composite rating². An SBI composite rating of at least BBB is one of the criteria to be eligible for inclusion into the SBI.

POTENTIAL UPDATE

To address the challenges faced by first-time issuers, SIX is contemplating an update to the index criteria that would facilitate the inclusion of bonds in the SBI based on a single rating from the Swiss rating agency fedafin, under certain conditions. The chart on the left compares the current rule and a potential update.



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