Media Release

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Regulation of short selling as part of self-regulation

In Switzerland, there are no provisions to regulate short selling in terms of laws or stock exchange regulations. In 2008, an announcement was made by the then Swiss Federal Banking Commission (SFBC) and SIX Swiss Exchange imposing certain restrictions on short selling. In consultation with FINMA, SIX Swiss Exchange and Scoach Switzerland will now supplement their regulations regarding short selling.

According to the regulations of SIX Swiss Exchange and Scoach, short selling will now be permitted if the selling party is able to settle the transaction within the deadline set for this, i.e. deliver the securities on time. Specifically, section 9 (“Market conduct”) of SIX Swiss Exchange’s and Scoach Switzerland’s Rule Books is being expanded to include information on the powers of the stock exchange to regulate short selling. Directive 3: “Trading” of SIX Swiss Exchange and Scoach Switzerland will each be supplemented with provisions dealing with this (new section VI: “Short selling”). These new regulations will enter into force on 11 November 2013 and replace all previous announcements made on this matter.

The new regulations provide the management of the exchanges with the flexibility to react to changing, special market situations if necessary. Following consultation with FINMA, the exchanges may, if required, implement market-based restrictions on short selling at short notice.

Section 9 of the respective Rule Books also contains provisions requiring participants and traders to comply with the market conduct rules and forbidding unfair trading practices. As before, these restrictions shall still apply to carrying out short sales.

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

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