Media Release

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Opening of consultation of the Financial Market Infrastructure Act

Yes to equivalence, no to Swiss Finish

Today the Federal Council opened the consultation of the Financial Market Infrastructure Act. SIX supports the intention of the Federal Council to regulate the financial market infrastructure and trading of derivatives in a decree, to adapt to international standards and to ensure access to foreign markets also in the future. However, the adoption of international standards and EU regulations shall not result in a disproportionate tightening of rules or a rush to comply with them.

The efforts of the G20 aimed at system stability and transparency and the tightening of the rules regarding access to the EU market for non-member states require Swiss law to be amended and supplemented. As part of the planned Financial Market Infrastructure Act (FinfraG), consideration will be given to the wishes of the Swiss financial market as regards market entry and competitiveness. The new decree also integrates existing Swiss laws and the new regulations required. Overall, the current draft of the Financial Market Infrastructure Act is a balanced legislative proposal, which SIX will support in its response to the consultation – while taking into account certain specific modifications.

Adoption of and amendments to existing laws, selective new regulation
In future, parts of the Stock Exchange Act, Banking Act, National Bank Act and National Bank Ordinance will be merged into one single decree and, where required, will be amended. With regard to legal certainty, however, it is important that no changes be made to the recently revised regulations, particularly to the Stock Exchange Act and the National Bank Ordinance.

In particular, the Financial Market Infrastructure Act contains new regulations regarding authorization requirements and obligations for financial market infrastructures; these include trading venues, central counterparties and central custodians. An equally important part is the new regulation of derivative trading.

Key issues for financial market infrastructure
The continued existence and functional capability of financial market infrastructure depends heavily on clear and internationally competitive regulation. Market trends towards eroding such infrastructure are driving these into non-regulated areas and, in turn, opacity. The planned Financial Market

Infrastructure Act will make a key contribution towards organizing and regulating the segments and processes of the financial market infrastructure. With regard to the new Act, the emphasis of the new regulation of derivative trading for SIX, as the leading financial market infrastructure provider, is the obligation to clear OTC (Over The Counter) derivative transactions and the obligation to report all derivative transactions. Aspects relevant to competition also include the categorization of trading platforms, the minimization of system risk and the clarification of competencies between the Swiss Financial Market Supervisory Authority (FINMA) and the Swiss National Bank (SNB).

Preservation of self-regulation

SIX expressly welcomes the fact that the partial reorganization of the supervision preserves the system of self-regulation. This has proven to be a successful supervisory principle in the Swiss financial market and is a high-quality, efficient and cost-effective system thanks to the proximity to the market.

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

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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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