

**WFC Single Disclosure Report 2020****AGC answers**

Date submitted

17/08/2020 09:27:21

**General information**

1 G01Q001

Please indicate the full name of the responding institution:

*PFMI: Annex A - CSD disclosure template [CSD name]**AGC: 0a*

SIX SIS Ltd ("SIX SIS")

2 G01Q002

Registered address:

*PFMI: n/a**AGC: 0c*

SIX SIS Ltd, Baslerstrasse 100, CH-4600 Olten

3 G01Q003

Country of registered address:

*PFMI: n/a**AGC: 0d*

Switzerland

6 G01Q006

The WFC, the AGC, CPMI and IOSCO encourage respondents to make their disclosure reports publicly available. Do you agree to make your response publicly available?

*PFMI: n/a**AGC: 99*

- Yes, my full response will be publicly available. I agree that my response can be published on the website of the WFC and on the website of the regional CSD association(s) which my CSD is a member of.
- Yes, my response will be public, but only for my answers to AGC questions.
- Yes, my response will be public, but only for my answers to PFMI questions.

No, I do not wish my response to be publicly available.

7 G01Q007

How will you be making your answers publicly available?

*PFMI: n/a*

*AGC: 99a*

Website

Upon request

OTHER:

8 G01Q008

This disclosure can also be found at the following web address(es):

*PFMI: Annex A - CSD disclosure template [website URL]*

*AGC: 99b*

www.six-securities-services.com

9 G01Q009

First and Last Name of the contact person:

*PFMI: Annex A - CSD disclosure template [contact details]*

*AGC: 99c*

Edi Dahinden

10 G01Q009A

Disclosure submission authorisation

I hereby certify that I am authorised to submit this disclosure report on behalf of my institution.

11 G01Q010

Email address of the contact person:

*PFMI: Annex A - CSD disclosure template [contact details]*

*AGC: 99h*

eduard.dahinden@six-group.com

12 G01Q011

Telephone number (please include the international country code):

*PFMI: n/a*  
*AGC: 99e*

+41 58 399 4102

13 G01Q012

How do you prefer to be contacted?

*PFMI: n/a*  
*AGC: 99d*

- Telephone
- Fax
- mail/air courier
- e-mail

14 G01Q013

Fax number

*PFMI: n/a*  
*AGC: 99f*

N/A

15 G01Q014

What is the preferred street address for mailing requests?

*PFMI: n/a*  
*AGC: 99g*

SIX SIS Ltd  
Edi Dahinden  
Baslerstrasse 100  
4600 Olten  
Switzerland

25 G01Q024

I am submitting up-to-date information in response to:

- The AGC questions and a report with only AGC answers will be generated
- The PFMI questions and a report with only PFMI answers will be generated
- Both the AGC and PFMI questions and a report with answers to both questionnaires will

be generated

### Legal Basis (PFMI Principle 1)

27 G02Q002

Under what regulation or statute is the CSD established and governed?

*PFMI: n/a*

*AGC: 7*

SIX SIS is licensed as systemically important financial market infrastructures (FMI) by and subject to the supervision of the Swiss Financial Market Supervisory Authority (FINMA). The SNB-relevant regulation includes particularly the National Bank Ordinance (NBO), stating various minimum requirements SIX SIS has to comply with (art. 22 seqq. NBO), e.g., regarding the contractual framework (art. 23 NBO). Some operational components are also subject to oversight by the Swiss National Bank (SNB) as systemically important payment, clearing and settlement systems, for example SIX x-clear, SECOM and the interbank payment system SIC. FINMA and the SNB work together to monitor and supervise systemically important financial market infrastructures. The whole of SIX, as a systemically important part of the Swiss financial system, is also subject to consolidated supervision by FINMA. The level of scrutiny is high since FINMA has assigned SIX to its highest supervisory category (1) on account of its size, complexity and importance for the financial markets, and the consequent risks. FINMA defines the details and scope of the consolidated supervision in an appropriate manner, taking the exact business model operated by SIX into account.

28 G02Q003

Is the regulation or statute electronically available?

*PFMI: n/a*

*AGC: 7a*

Yes

No

29 G02Q004

If regulation or statute is electronically available, please supply web address(es) here or upload document(s).

*PFMI: n/a*

*AGC: 7b*

<https://www.admin.ch/opc/en/classified-compilation/20141779/index.html>

<https://www.admin.ch/opc/en/classified-compilation/20152105/index.html>

<https://www.admin.ch/opc/en/classified-compilation/20040259/index.html>

<http://www.finma.ch>

<http://www.snb.ch>

30 G02Q005

filecount - Please supply document(s) here:

PFMI: n/a

AGC: 7c

beh.pdf (186KB)

Authorized  
banks

1

### Governance and ownership (PFMI Principle 2)

45 G03Q002

What type of legal entity is the institution?

PFMI: n/a

AGC: 3

FISA.pdf (73KB)

FISA

- Public Company
- Private Company
- Central Bank (or part thereof)
- Stock Exchange (or part thereof)
- OTHER:

46 G03Q003

Is the institution operated as a "for profit" or a "not for profit" organization?"

PFMI: n/a

AGC: 4

- Not for profit

- For profit

47 G03Q004

Please provide the names of the owners and their ownership interest percentages.

*PFMI: n/a*

*AGC: 5*

SIX has several wholly-owned subsidiaries, one of these being SIX SIS. The owners of SIX comprise around 125 national and international financial institutes. The shares are widely distributed, i.e. no owner or bank category has an absolute majority. The major shareholders of SIX include:

- Large universal banks (UBS and Credit Suisse): 33.4%
- Foreign banks: 15.2%
- Commercial and investment banks: 18.6%
- Cantonal banks: 14.2%
- Private banks: 2.8%
- Regional and Raiffeisen banks: 8.5%
- Treasury shares: 3.2%
- Others: 4.1%

48 G03Q005

What is the date of establishment of the CSD?

*PFMI: n/a*

*AGC: 6a*

21/05/1999

49 G03Q006

What is the date that the CSD's operations began?

*PFMI: n/a*

*AGC: 6b*

21/05/1999

50 G03Q007

Are participants required to contribute capital to the CSD that would result in ownership of the CSD?

*PFMI: n/a*

*AGC: 18*

- Not applicable
- No
- Yes

51 G03Q008

If yes, what fixed amount is required or what formula is used to determine the appropriate contribution level?

*PFMI: n/a*

*AGC: 18a.*

59 G03Q016

What are the roles and responsibilities of the CSD's board of directors (or equivalent), and are they clearly specified? Please provide details of the structure and composition of your Board together with their industry experience and responsibilities in governing the CSD. What are the qualifications to become a board member?

*PFMI: Q.2.3.1*

*AGC: 7d*

According to art. 716a (1) Swiss Code of Obligations, the BoD has the following non-transferable and inalienable duties: - the overall management of the company and the issuing of all necessary directives; - determination of the company's organization; - the organization of the accounting, financial control and financial planning systems as required for the management of the company; - the appointment and dismissal of persons entrusted with managing and representing the company; - overall supervision of the persons entrusted with managing the company, in particular with regard to compliance with the law, articles of association, operational regulations and directives; - compilation of the annual report, preparation for the general meeting and implementation of its resolutions; and - notification of the court in the event that the company is over-indebted. According to FINMA Circular 2008/24, sec. 9, the BoD is responsible for the regulation, implementation, compliance, supervision and regular review of an adequate internal control that is adequate for the size, complexity, structure and risk profile of the corresponding company. According to the articles of association, the management of the business of SIX SIS and the execution of resolutions taken by the Board of Directors are incumbent on the senior management (see art. 716a (2), 716b (1) Swiss Code of Obligations). The members of the Board of Directors and third parties engaged in managing the company's business, e.g., the senior management, must perform their duties with all due diligence and safeguard the interests of the company in good faith (art. 717 (1) Swiss Code of Obligations). The Board members of SIX SIS are the CEO, CFO and CIO of SIX as well as two external members. art. 9 (2) FMIA prescribes that the members of the BoD, containing also nonexecutive directors, and senior management members have an impeccable reputation and possess the experience and skills to perform their mandate. Additionally they need to provide the guarantee of irreproachable business conduct (art. 9 (1) FMIA) and FINMA has to give its consent to the members of both bodies (art. 10 (1) FMIO) and has done so.

61 G03Q018

What are the election procedures?

*PFMI: Q.2.3.2*

*AGC: 7e*

Candidates are proposed by the board of SIX and elected by the shareholders meeting.

62 G03Q019

What is the maximum length of time a board member can serve?

*PFMI: Q.2.3.2*

*AGC: 7f*

A board member is elected for a duration of 3 years; a reelection is possible.

63 G03Q020

How are the voting powers distributed amongst the board members (i.e. does each board member have one vote or do certain members have additional voting power)?

*PFMI: Q.2.3.2*

*AGC: 7g*

All voting rights (1 share = 1 vote) of SIX SIS are held by its parent company SIX. Yes. The Board of Directors of SIX SIS counts 5 members each having one vote. The Board members are the CEO, CFO and CIO of SIX as well as two external members.

65 G03Q022

What are the procedures established to review the performance of the board as a whole and the performance of the individual board members? Who is responsible for regulating the board members?

*PFMI: Q.2.3.4*

*AGC: 7h*

The Board of Directors has its performance regularly assessed by external audit (see art. 22a (1) NBO). The general shareholders meeting is responsible for regulating the board members.

### Comprehensive risk management (PFMI Principle 3)

88 G04Q003

Any direct damages or losses to participants caused by the CSD as a result of force majeure events, acts of God, or political events, etc.?

*PFMI: Q.3.1.1*

*AGC: 66x.*

Not applicable



- No
- Yes

89 G04Q004

If yes, please check all of the following that apply:

*PFMI: Q.3.1.1*

*AGC: 66y.*

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

90 G04Q005

In all cases where the CSD assumes responsibility for direct or indirect or consequential losses, is the CSD's liability limited by a standard of care determination?

*PFMI: Q.3.1.1*

*AGC: 66+*

- Not applicable
- No
- Yes

91 G04Q006

Please define the standard of care applied:

*PFMI: Q.3.1.1*

*AGC: 66\**

According to Swiss law, liability for willful damage or gross negligence cannot be excluded.

#### **Credit risk (PFMI Principle 4)**

121 G05Q011

Does the CSD have a guaranty fund independent of stock exchange or other market guarantees?

*PFMI: Q.4.3.1*

AGC: 78

- Not applicable
- No
- Yes

122 G05Q012

If yes, please respond to the following questions: What is the size of the fund?

*PFMI: Q.4.3.1*

*AGC: 78a.*

123 G05Q013

How is the size of the fund determined?

*PFMI: Q.4.3.1*

*AGC: 78b.*

- A fixed amount
- By asset value
- By participant volume

124 G05Q014

How is the fund financed?

*PFMI: Q.4.3.1*

*AGC: 78d.*

- Funding from retained earnings
- Contributions from participants
- Contributions from owner
- Other: N/A; there is no guaranty fund.

125 G05Q015

If so, what is the amount or percentage per owner?

*PFMI: Q.4.3.1*

AGC: 78e.

126 G05Q016

If so, what is the amount or percentage per participant?

PFMI: Q.4.3.1

AGC: 78f.

127 G05Q017

Who is covered by the fund?

PFMI: Q.4.3.1

AGC: 78h.

- Direct CSD participants only
- The beneficial owner also
- OTHER: N/A

128 G05Q018

When is the guaranty fund used?

PFMI: Q.4.3.1

AGC: 78j.

- When a broker defaults
- When a direct participant defaults
- OTHER: N/A

131 G05Q021

Does the CSD have insurance to cover losses in the event of Default on settlement commitments by the CSD or a participant?

PFMI: Q.4.3.3

AGC: 91

- Not applicable
- No
- Yes

132 G05Q022

What is the amount of the coverage?

*PFMI: Q.4.3.3*

*AGC: 91a*

133 G05Q023

What is the amount of the deductible?

*PFMI: Q.4.3.3*

*AGC: 91b*

134 G05Q024

Please explain other loss or default protections:

*PFMI: Q.4.3.3*

*AGC: 79a*

Loss or default protection is not applicable to SIX SIS because it is not a CCP.

135 G05Q025

Does the CSD accept liability (independent of any insurance coverage) for the following: Any direct damages or losses to participants caused by the CSD in its capacity as a central counterparty?

*PFMI: Q.4.3.3*

*AGC: 66q.*

Not applicable

No

Yes

136 G05Q026

If yes, please check all of the following that apply:

*PFMI: Q.4.3.3*

*AGC: 66r.*

Financial limits are imposed on the amount of liability assumed by the CSD

The CSD assumes liability for direct losses

The CSD assumes liability for indirect or consequential losses

OTHER:

### Collateral (PFMI Principle 5)

141 G06Q001

Summary narrative for PFMI Principle 5. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

*PFMI: Annex A - CSD disclosure template - IV.P5*

*AGC: 35c*

SIX SIS requires collateral to manage its or its participants' credit exposure and accepts collateral with low credit, liquidity, and market risks. SIX SIS also sets and enforces appropriately conservative haircuts and concentration limits.

The scope of the collateral management system of SIX SIS comprises the connection to participants and external collateral locations, the assessment of collateral in relation to acceptance criteria, the deposit and substitution of collateral, the application of concentration limits, the automated computation and validation of collateral requirements, collateral valuation, and collateral inadequacy notices. Furthermore, the collateral management system tracks the extent of reuse of collateral (both cash and non-cash). The collateral management configuration (Collateral Cockpit) is both bilateral and tri-party. The service is based on a contractual relationship between the trading parties and the agent. The TPA (Triparty Agent) operates as a Collateral Agent and Settlement Agent. The Collateral Cockpit is designed as a web-based application and provides the TPA participant online access to the following services:

- TPA collateral and inventory management
- TPA transaction capture
- TPA reporting

The Collateral Cockpit provides services to set the respective frame for the automated allocation process. The participant can assign a list of collateral as collateral priority.

### Liquidity risk (PFMI Principle 7)

### Settlement finality (PFMI Principle 8)

### Money settlements (PFMI Principle 9)

217 G09Q003

Who accepts cash deposits (or makes payment credit accommodations) for CSD transactions?

*PFMI: Q.9.1.1*

AGC: 31

clr-xcl-lendingnorms-en.pdf (151KB)

Lending  
Norms

- CSD
- Central Bank
- Banks appointed by CSD
- Neither or others (e.g. credit lines used)
- Not applicable
- OTHER:

218 G09Q004

Please indicate the name of the banks appointed by the CSD

*PFMI: Q.9.1.1**AGC: 31a*

Please refer to our attached custodian list (six-sis-custodians\_list.pdf).

219 G09Q005

Who processes cash clearing (or draws on credit lines, if applicable) for CSD transactions?

*PFMI: Q.9.1.1**AGC: 32*

- CSD
- Central Bank
- Banks appointed by the CSD
- Neither or others (e.g. credit lines used)
- Not applicable
- OTHER:

220 G09Q006

Please name banks appointed by the CSD

*PFMI: Q.9.1.1**AGC: 32a*

Please refer to our attached custodian list (six-sis-custodians\_list.pdf).

221 G09Q007

Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)?

*PFMI: Q.9.1.1**AGC: 33, 33b*

- CSD
- Central Bank
- Banks appointed by CSD
- Neither or others (e.g. credit lines used)
- Not applicable
- OTHER:

222 G09Q008

Please name banks appointed by the CSD

*PFMI: Q.9.1.1**AGC: 33a*

Please refer to our attached custodian list (six-sis-custodians\_list.pdf).

223 G09Q009

Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)?

*PFMI: Q.9.1.1**AGC: 34*

- CSD
- Central Bank
- Banks appointed by CSD
- Neither or others (e.g. credit lines used)
- Not applicable
- OTHER:

224 G09Q010

Please name banks appointed by CSD

*PFMI: Q.9.1.1*

AGC: 34a

Please refer to our attached custodian list (six-sis-custodians\_list.pdf).

### Physical deliveries (PFMI Principle 10)

239 G10Q005

How are eligible securities lodged in the CSD system?

PFMI: Q.10.1.3

AGC: 57, 57a

six-sis-custodians\_list.pdf (111KB)

Custodian  
List

- A registered certificate in the name of the CSD is delivered to the CSD.
- A participant delivers the security with a valid transfer deed or stock power or other transfer document to the CSD which then effects registration.
- A registrar re-registers the security in the name of the CSD.
- Not applicable
- OTHER:

240 G10Q006

When are securities lodged into the CSD reflected in a participant's CSD account?

PFMI: Q.10.1.3

AGC: 58, 58a

- Securities are reflected in the participant's CSD account immediately upon delivery to the CSD.
- Securities are re-registered prior to being reflected in the participant CSD account.
- Not applicable
- OTHER:

241 G10Q007

How long does it usually take to lodge securities with the CSD?

PFMI: Q.10.1.3

AGC: 59, 59b

- Not applicable



- More than 4 weeks
- 2 to 4 weeks
- 3 days to 1 week
- 1 to 2 days

242 G10Q008

Please specify

*PFMI: Q.10.1.3*

*AGC: 59a*

243 G10Q009

During the process of lodging securities into the CSD, can the securities be traded?

*PFMI: Q.10.1.3*

*AGC: 60*

- Not applicable
- No
- Yes

244 G10Q010

During the process of lodging securities into the CSD, can the securities be settled?

*PFMI: Q.10.1.3*

*AGC: 60a*

- Not applicable
- No
- Yes

245 G10Q011

During the process of lodging securities into the CSD, can the securities have ownership transferred?

*PFMI: Q.10.1.3*

*AGC: 60b*

- Not applicable
- No
- Yes

246 G10Q012

If it cannot be traded, or if you answered other, please explain

*PFMI: Q.10.1.3*

*AGC: 60c*

247 G10Q013

If it cannot be settled, or if you answered other, please explain

*PFMI: Q.10.1.3*

*AGC: 60d*

SIX SIS settles transactions on a true delivery versus payment basis. They will only settle if both securities and cash are available. Cash and securities will be booked simultaneously and irrevocably.

248 G10Q014

If ownership cannot be transferred, or if you answered other, please explain

*PFMI: Q.10.1.3*

*AGC: 60e*

Positions must be definitely booked in the custody account before a transfer can be executed. Transfer instructions remain pending until sufficient cover is provided in the custody account.

249 G10Q015

Are securities immediately available for delivery upon transfer to the CSD?

*PFMI: Q.10.1.3*

*AGC: 61, 61d*

- Not applicable
- No
- Yes

250 G10Q016

If no: Securities are unavailable for

*PFMI: Q.10.1.3*

*AGC: 61a*

- Not applicable
- More than 4 weeks
- 2 to 4 weeks
- 3 days to 1 week
- 1 to 2 days

251 G10Q017

If more than 4 weeks, please specify

*PFMI: Q.10.1.3*

*AGC: 61b*

252 G10Q018

If not applicable, please explain

*PFMI: Q.10.1.3*

*AGC: 61c*

N/A

253 G10Q019

What transfer process steps are involved when eligible securities are withdrawn from the CSD for safekeeping?

*PFMI: Q.10.1.3*

*AGC: 63, 63a*

- Not applicable
- Securities are transferred as is any physical delivery in the market.
- Securities are re-certificated and delivered as bearer instruments.
- Securities are re-certificated and re-registered into the name of the beneficia
- Securities are re-registered into the name of the beneficial owner or a nominee.

254 G10Q020

How long does it usually take to remove securities from the CSD?

*PFMI: Q.10.1.3*

*AGC: 64, 64b*

- Not applicable
- More than 4 weeks
- 2 to 4 weeks
- 3 days to 1 week
- 1 to 2 days

255 G10Q021

If more than 4 weeks, please specify

*PFMI: Q.10.1.3*

*AGC: 64a*

256 G10Q022

While the securities are being removed from the CSD, can they be traded? (Choose one)

*PFMI: Q.10.1.3*

*AGC: 65a*

- Yes
- Not applicable
- No

257 G10Q023

If they cannot be traded please explain

*PFMI: Q.10.1.3*

*AGC: 65b*

258 G10Q024

While the securities are being removed from the CSD, can they be settled? (Choose one)

*PFMI: Q.10.1.3*

*AGC: 65c*

- Yes
- Not applicable
- No

259 G10Q025

If they cannot be settled, please explain

*PFMI: Q.10.1.3*

*AGC: 65d*

The participant to be debited must ensure that at the time of booking there is sufficient cover (securities). If this is not the case, SIX SIS is entitled to compensation through the acquisition of securities to the amount corresponding to the shortfall positions the day after the settlement date and at the expense of the participant(s) having caused the shortfall.

260 G10Q026

While the securities are being removed from the CSD, can they have ownership transferred?  
(Choose one)

*PFMI: Q.10.1.3*

*AGC: 65e*

- Yes
- Not applicable
- No

261 G10Q027

If ownership cannot be transferred, please explain

*PFMI: Q.10.1.3*

*AGC: 65f*

Transfer instructions remain pending until sufficient cover is provided in the custody account.

263 G10Q029

What are the vault security procedures for the safekeeping of physical paper?

*PFMI: Q.10.2.1*

*AGC: 75*

- Not applicable, no vault is maintained

- Electronic keys or combinations
- Dual access control
- Visitor logs
- Vault counts
- Intrusion alarms
- Fire alarms
- Guards
- OTHER:

264 G10Q030

Please indicate frequency of vault counts:

*PFMI: Q.10.2.1*

*AGC: 75a.*

Regular inventory inspections and reconciliations take place to ensure the integrity and physical verification of securities held in the vault.

265 G10Q031

Please explain:

*PFMI: Q.10.2.1*

*AGC: 75b*

SIX SIS has strict internal controls in place to ensure the four-eyes principle is applied to all processes associated with the storage and delivery of physical instruments. Internal Audit regularly reviews and assesses these processes.

### Central Securities Depositories (PFMI Principle 11)

271 G11Q002

CSD FUNCTIONALITY AND SERVICES, USE OF AGENTS. Certain functionalities and services reduce risk to an investor if provided in an efficient manner. The purpose of this section is to identify those functionalities that may potentially be offered by depositories and clearing systems around the world, and ascertain whether they are offered by your institution. For which of the following security types do you serve as a CSD or clearing system?

*PFMI: n/a*

*AGC: 26*

- Government securities
- Equities

- Corporate bonds
- Corporate money market
- Not applicable
- OTHER:

272 G11Q003

Please name the other security types:

*PFMI: n/a*

*AGC: 26a.*

SIX SIS recognizes various categories of securities, for example: - Shares - Funds - Warrants - Cum bonds - Ex bonds - Privately or publically placed notes - Rights - Medium-term notes - Asset-backed securities

273 G11Q004

Is the use of the CSD in your market compulsory by law or compulsory by market practice for the settlement or safekeeping of all instrument types in your market (e.g. equities, government securities, corporate bonds, money market instruments, warrants, derivatives etc).

*PFMI: n/a*

*AGC: 27, 27c*

- Yes by law for settlement of all instrument types
- Yes by law for safekeeping of all instrument types
- Yes by market practice for settlement of all instrument types
- Yes by market practice for safekeeping of all instrument types
- Yes by law for settlement, but not for all instrument types
- Yes by law for safekeeping, but not for all instrument type
- Yes by market practice for settlement, but not for all instrument types
- Yes by market practice for safekeeping, but not for all instrument types
- Neither
- OTHER:

274 G11Q005

Please list the instrument types for which it is not compulsory by law to: (i) settle in your CSD

*PFMI: n/a*

AGC: 27a. (i)

The use of the depository in Switzerland is compulsory by law including safekeeping and settlement. Details can be found in the Swiss Financial Market Infrastructure Act.

275 G11Q006

(ii) safekeep in your CSD:

PFMI: n/a

AGC: 27a. (ii)

The use of the depository in Switzerland is compulsory by law including safekeeping and settlement. Details can be found in the Swiss Financial Market Infrastructure Act.

276 G11Q007

Please list the instrument types for which it is not compulsory by market practice to: (i) settle in your CSD

PFMI: n/a

AGC: 27b. (i)

The use of the depository in Switzerland is compulsory by law including safekeeping and settlement. Details can be found in the Swiss Financial Market Infrastructure Act.

277 G11Q008

(ii) safekeep in your CSD:

PFMI: n/a

AGC: 27b. (ii)

The use of the depository in Switzerland is compulsory by law including safekeeping and settlement. Details can be found in the Swiss Financial Market Infrastructure Act.

278 G11Q009

Settlement and Safekeeping Percentages 28a Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) settled within your institution, exclusive of your links with third parties.

PFMI: n/a

AGC: 28 28a

100% of the settlements and safekeeping of all instrument types are handled within SIX SIS. Please find all instruments in volume as follows: Bonds: 2% Equity: 0% Funds: 2% Structured Products: 96%

279 G11Q010

Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) held in safekeeping within your institution.

PFMI: n/a

AGC: 28b.



100% of the settlements and safekeeping of all instrument types are handled within SIX SIS. Please find all instruments in value as follows: Bonds: 25% Equity: 59% Funds: 9% Structured Products: 7%

281 G11Q012

In the event a participant's single or main account is blocked for any reason (e.g., insolvency, penalties, violations, liens), would securities held in any account or accounts on behalf of the participant's clients be accessible: By the participant's clients?

*PFMI: Q.11.1.1*

*AGC: 44a*

- Not applicable
- No
- Yes

282 G11Q013

If yes, please describe briefly how clients of participants would access their securities and whether there would be any delay in their ability to do so:

*PFMI: Q.11.1.1*

*AGC: 44b*

According to Swiss law, securities belonging to participants or their clients would be recoverable in case of bankruptcy, default or fraud on the part of SIX SIS. The general account structure is an omnibus structure, i.e. the assets are held by SIX SIS in favor of its participants. In the event of the bankruptcy of SIX SIS, the deposits of participants and their clients will not form part of the bankruptcy assets. For certificated securities, participants and their clients have a right of separation from the bankruptcy assets as per Art. 242 of the Federal Act on Debt Enforcement and Bankruptcy (SchKG). For uncertificated book-entry securities, a segregation right exists as per Art. 37d in conjunction with Art. 16 of the Swiss Federal Act on Banks and Savings Banks (Banking Act) and Art. 17 and 18 of the Federal Intermediated Securities Act (FISA). This also applies for uncertificated book-entry securities which are held with sub-custodians due to the fact that it is assumed that these positions belong to SIX SIS's clients and are protected as client assets under local law. However, under Swiss law, clients are not able to claim segregation for cash. Basically, clients are able to recover securities in the event of bankruptcy but not cash. In case of bankruptcy of SIX SIS, the positions of the clients will be detached in their favor (art. 17-19 Federal Intermediated Securities Act, FISA ). This also applies for positions which are held with sub-custodians due to the fact that it is assumed that these positions belong to our clients. The court ordering the opening of bankruptcy proceedings against a debtor serves its decision to - among other addressees - the commercial register and to the competent bankruptcy authority (art. 176 SchKG). The competent bankruptcy authority (Konkursamt) publishes the opening of bankruptcy proceedings in the Swiss Official Gazette of Commerce ([www.shab.ch](http://www.shab.ch)) as soon as it has verified that the debtor's assets will cover the cost of bankruptcy proceedings (art. 232 and 35 SchKG). This publication identifies the debtor by name and domicile and contains a call to creditors to file their claims with the competent bankruptcy trustee within a month of the publication. Also this publication contains an invitation to all creditors to take part in a first creditors' meeting to take place within 20 days after the publication. With this publication, the competent bankruptcy trustee informs foreign creditors that the bankruptcy trustee will serve

as address of service until an address of service in Switzerland is designated. Moreover, the bankruptcy trustee is obligated to individually notify the opening of bankruptcy proceedings concerning the debtor to each creditor whose name and address are known.

283 G11Q014

By the intervening authorities controlling insolvency or other proceedings?

*PFMI: Q.11.1.1*

*AGC: 44d.*

- Not applicable
- No
- Yes

284 G11Q015

If yes, please describe briefly under what conditions access would be granted to the intervening authorities:

*PFMI: Q.11.1.1*

*AGC: 44e.*

Access by authorities controlling insolvency is only possible via the procedures defined in Swiss Debt Enforcement and Bankruptcy Law.

285 G11Q016

By the participant's creditors?

*PFMI: Q.11.1.1*

*AGC: 44g, 44i*

- Not applicable
- No
- Yes

286 G11Q017

If yes, please describe briefly under what conditions access would be granted to the participant's creditors:

*PFMI: Q.11.1.1*

*AGC: 44h*

287 G11Q018

By the CSD's creditors?

*PFMI: Q.11.1.1**AGC: 44j.*

- Not applicable
- No
- Yes

288 G11Q019

If yes, please describe briefly under what conditions access would be granted to the CSD's creditors:

*PFMI: Q.11.1.1**AGC: 44k.*

289 G11Q020

What is your document and record retention policy for documents and records described above in this section?

*PFMI: Q.11.1.1**AGC: 47, 47a*

- 7 years
- 5 years
- 3 years
- 1 year
- 6 months or less
- Other: 10 years by law

290 G11Q021

Does the law protect participant assets from claims and liabilities of the CSD?

*PFMI: Q.11.1.1**AGC: 54*

- Not applicable

- No
- Yes

291 G11Q022

Can the CSD assess a lien on participant accounts? (A lien would entitle the CSD to take and hold or sell the securities of the participant in payment of a debt.)

*PFMI: Q.11.1.1*

*AGC: 55*

- Yes
- No
- Not applicable

292 G11Q023

If yes, for what reasons are liens or similar claims imposed?

*PFMI: Q.11.1.1*

*AGC: 55a*

- Fees and expenses
- Collateralization of overdrafts
- To secure payment for purchased securities
- OTHER:

293 G11Q024

Please describe:

*PFMI: Q.11.1.1*

*AGC: 55b*

Please note that differences between the right of retention (Art. 48a GTC SIX SIS), the right to pledge the participants own securities assets and money claims of the participant (Art. 48b GTC SIX SIS) and the right to set-off (Art. 48c GTC SIX SIS): SIX SIS shall be entitled to retain and foreclose on client custody assets of the participants only when a debt owed by the participant arises out of the custody of the securities (i.e. custody fees) or the financing of their acquisition by SIX SIS (Art. 48a GTC SIX SIS). SIX SIS hereby does nothing else but what is laid down in Art. 21 FISA.

SIX SIS is entitled to a lien and foreclosure on all securities held in custody or booked for the participant as the participant's own holdings and on money claims of the participant against SIX SIS. Therefore, SIX SIS has no right to charge security interest, make participant's securities accounts subject to any lien, right of retention or claim of any kind, other than a lien

attached to the participant's own account deposited as security for fees reasonably arising from safekeeping and administration of services.

294 G11Q025

Please indicate the limits of this lien as indicated below:

*PFMI: Q.11.1.1*

*AGC: 55c*

- The lien may extend to settled client positions
- The lien is limited to securities in the course of purchase and sale transactio
- The lien is limited to securities in the participant's proprietary account

295 G11Q026

Please explain:

*PFMI: Q.11.1.1*

*AGC: 55d*

296 G11Q027

If a lien is placed on a participant's account which has been designated for its clients, will the CSD select certain securities to be subject to the lien?

*PFMI: Q.11.1.1*

*AGC: 55e*

- No
- Yes
- Other: SIX SIS is entitled to a lien and foreclosure on all securities held in custody or booked for the participant as the participant's own holdings and on money claims of the participant against SIX SIS.

297 G11Q028

If yes, please indicate whether:

*PFMI: Q.11.1.1*

*AGC: 55f*

- The lien is placed on the securities with the greatest value in the account

- The lien is placed on the most liquid securities in the account

298 G11Q029

Please explain:

*PFMI: Q.11.1.1*

*AGC: 55g*

SIX SIS is entitled to a lien and foreclosure on all securities held in custody or booked for the participant as the participant's own holdings and on money claims of the participant against SIX SIS.

299 G11Q030

If no, please indicate whether the entire account will be subject to the lien.

*PFMI: Q.11.1.1*

*AGC: 55h*

- No
- Yes

300 G11Q031

For accounts designated as client accounts, do procedures exist to restrict the placement of liens only to obligations arising from safe custody and administration of those accounts?

*PFMI: Q.11.1.1*

*AGC: 55j*

- No
- Yes

301 G11Q032

If yes, are the restrictions accomplished by:

*PFMI: Q.11.1.1*

*AGC: 55k*

- Contract between the CSD and the participant

302 G11Q033

Please explain:

*PFMI: Q.11.1.1*  
*AGC: 55f*

SIX SIS is entitled to a lien and foreclosure on all securities held in custody or booked for the participant as the participant's own holdings and on money claims of the participant against SIX SIS.

303 G11Q034

Transfer of Legal Ownership. Does the CSD have legal authority to transfer title to securities?

*PFMI: Q.11.1.1*  
*AGC: 56, 56e*

- Not applicable
- No
- Yes

304 G11Q035

When does title or entitlement to CSD securities pass between participants?

*PFMI: Q.11.1.1*  
*AGC: 56a*

- When the transaction is processed on an intra-day basis
- When corresponding money or other consideration is transferred
- At the end of the business day on which the transfer occurs

305 G11Q036

Please describe:

*PFMI: Q.11.1.1*  
*AGC: 56b*

We have no legal authority to transfer title to securities. We only handle transfers by client instructions. Please find all details in our GTC, Art. 34a.

306 G11Q037

Where does title or entitlement to CSD securities pass between participants?

PFMI: Q.11.1.1

AGC: 56c

- On the registrars books
- On the CSD books

307 G11Q038

Please describe:

PFMI: Q.11.1.1

AGC: 56d

N/A

309 G11Q040

In what form does the CSD maintain records identifying the assets of each participant?

PFMI: Q.11.1.2

AGC: 45

- Computer file
- Microfiche
- Hard copy
- Computer tape
- OTHER:

310 G11Q041

In which format is the source data maintained?

PFMI: Q.11.1.2

AGC: 45b

The retention of data is in line with legal and business requirements. Data is maintained online for a certain period of time before being backed up to an archival database for two years. After two years the archived data is backed up onto tapes and can be retrieved upon request. The time span depends on the type of data. The archival database can be viewed via screens. System log files usually have a retention period of two years, whereas application log files are retained much longer (according to Swiss regulatory at least ten years).

315 G11Q046

If the securities held with the CSD are recorded by book-entry at the registrar, what are the control features at the registrar for transfer of registrar positions to and from the CSD (e.g., authentication procedures, reconciliation, confirmation of position at registrar)? Please describe:



*PFMI: Q.11.1.6*  
*AGC: 52i*

SIX SIS is not an official registrar and registered shares are not registered at SIX SIS. However, SIX SIS has automated links with some registrars. In the cases where the local custodians have requested the share registration, SECOM will automatically send the request to the registrar in order to update the register when a trade is settled.

318 G11Q049  
How are CSD eligible securities held by the CSD?

*PFMI: Q.11.3.1*  
*AGC: 50, 50a*

- In dematerialized form
- In certificated form
- OTHER:

320 G11Q051  
If CSD eligible securities are certificated, can CSD eligible securities be held outside of the CSD?

*PFMI: Q.11.3.2*  
*AGC: 51*

- Not applicable
- Certain designated securities may be held outside the CSD
- Once entered into the CSD, eligible securities must remain in the CSD
- Securities may move freely into and out of the CSD
- All eligible securities must be held in the CSD

321 G11Q052  
If certain designated securities are held outside the CSD, please indicate under which conditions these securities would be held outside the CSD:

*PFMI: Q.11.3.2*  
*AGC: 51a*

322 G11Q053

If CSD eligible securities are required to be centrally immobilized at the CSD, where and with whom are the certificates safekept? (then please answer 51c)

*PFMI: Q.11.3.2*

*AGC: 51b*

323 G11Q054

Are these certificates:

*PFMI: Q.11.3.2*

*AGC: 51c*

- Bearer
- Registered
- OTHER:

324 G11Q055

If registered, how are the CSD eligible securities registered?

*PFMI: Q.11.3.2*

*AGC: 51d*

- In the name of the CSD
- In the name of the depositing participant or its nominee
- In the name of a separate nominee of the CSD
- OTHER:

325 G11Q056

If in the name of a separate nominee, please identify by name the nominee used:

*PFMI: Q.11.3.2*

*AGC: 51f*

Following the entry into force of the Swiss Federal Act on Intermediated Securities ("FISA") on 1 January 2010, securities issued with SIX SIS (i.e. deposited with SIX SIS in the form of certificated securities, global certificates or registered in a main register kept by SIX SIS) may be entered in SIX SIS' Girosystem and become intermediated securities upon being credited to one or several custody accounts of participants with SIX SIS. Intermediated securities may be disposed of by the holder of the custody account in accordance with FISA (cf. Art. 3 and 6 FISA). Intermediated securities held with SIX SIS are legally booked in the name of the holder of the custody account (i.e. the participant). SIX SIS considers the participant (i.e. the account holder) as the legal owner of the rights associated with the intermediated securities. This applies to both the proprietary holdings of the participant and the holdings booked for the account of the participant's clients. SIX SIS manages registered shares per participant and has no knowledge of the name of the shareholders.

326 G11Q057

If CSD eligible securities may be held either in or out of the CSD, are these certificates:

*PFMI: Q.11.3.2*

*AGC: 51h*

- Registered
- Bearer
- Other: Bearer and registered

327 G11Q058

What are the control features for receipt of certificates to the CSD (e.g., authentication procedures, re-registration)? Please describe:

*PFMI: Q.11.3.2*

*AGC: 51i*

328 G11Q059

If securities are dematerialized: May dematerialized security positions be re-certificated and held outside the CSD?

*PFMI: Q.11.3.2*

*AGC: 52*

- Not applicable
- No
- Yes

329 G11Q060

Are the securities held:

*PFMI: Q.11.3.2*

*AGC: 52a, 52k*

- Through book-entry at the CSD
- Through book-entry at a registrar or issuer
- OTHER:

330 G11Q061

Please identify which types of entities may act as registrars:

*PFMI: Q.11.3.2*

*AGC: 52b*

- Issuers
- Separate companies that perform registrar functions
- CSD
- OTHER:

331 G11Q062

If the securities held by the CSD are recorded by book entry at the registrar, are the securities registered only to the CSD, with the CSD providing the function of recording ownership on a centralized basis for the market?

*PFMI: Q.11.3.2*

*AGC: 52d*

- No
- Yes

332 G11Q063

If yes, how are securities held at the registrar for the account of the CSD?

*PFMI: Q.11.3.2*

*AGC: 52e*

- In the name of a separate nominee of the CSD
- In the name of the CSD

333 G11Q064

Please describe:

*PFMI: Q.11.3.2*

*AGC: 52f*

SIX SIS manages registered shares per participant and has no knowledge of the name of the shareholders.

334 G11Q065

If the securities held with the CSD are recorded by book-entry at the registrar but are not registered exclusively to the CSD, may they be registered to:

*PFMI: Q.11.3.2**AGC: 52g*

- A nominee
- The beneficial owner
- Other: Please note that in the Swiss market, securities are usually registered in the final beneficiary owner's name in the company's share register. SIX SIS manages registered shares per participant and has no knowledge of the name of the shareholders

335 G11Q066

Please describe:

*PFMI: Q.11.3.2**AGC: 52h*

In Switzerland, registration of ownership is relevant in connection with registered shares (cf. Art. 686 of the Swiss Code of Obligations, "CO"). SIX SIS manages registered shares per participant and has no knowledge of the name of the shareholders.

338 G11Q069

Does the CSD accept liability (independent of any insurance coverage) for the following: Reconciliation errors with the registrar and/or the issuer that result in direct damages or losses to participants?

*PFMI: Q.11.4.1**AGC: 66, 66a, 66d*

- Yes
- Not applicable
- No

339 G11Q070

If yes, please check all of the following that apply:

*PFMI: Q.11.4.1**AGC: 66b 66c*

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses

- The CSD assumes liability for indirect or consequential losses
- OTHER:

340 G11Q071

Theft of securities (either physical certificate or electronically from accounts at the CSD) from the CSD that results in direct damages or losses to participants?

*PFMI: Q.11.4.1*

*AGC: 66e, 66g, 66h*

- Not applicable
- Yes
- No

341 G11Q072

If yes, please check all of the following that apply:

*PFMI: Q.11.4.1*

*AGC: 66f*

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

342 G11Q073

Failure of the CSD's systems that result in direct damages or losses to participants because they cannot use either securities or funds?

*PFMI: Q.11.4.1*

*AGC: 66i, 66l.*

- Not applicable
- Yes
- No

343 G11Q074

If yes, please check all of the following that apply:

*PFMI: Q.11.4.1*

*AGC: 66j, 66k*

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

344 G11Q075

Any direct damages or losses to participants caused by the CSD due to its errors, omissions or fraud?

*PFMI: Q.11.4.1*

*AGC: 66m, 66p.*

- Yes
- No
- Not applicable
- OTHER:

345 G11Q076

If yes, please check all of the following that apply:

*PFMI: Q.11.4.1*

*AGC: 66n.*

- Financial limits are imposed on the amount of liability assumed by the CSD
- The CSD assumes liability for direct losses
- The CSD assumes liability for indirect or consequential losses
- OTHER:

347 G11Q078

Is the CSD immune from legal action in its own jurisdiction?

*PFMI: Q.11.4.2*

*AGC: 68*

- No
- Yes

349 G11Q080

Does the CSD have Fidelity insurance (that is, insurance to cover loss of securities or money resulting, for example, from acts such as forgery, theft, fraud and/or employee dishonesty)?

*PFMI: Q.11.4.3*

*AGC: 92*

- Not applicable
- No
- Yes

350 G11Q081

What is the amount of the coverage?

*PFMI: Q.11.4.3*

*AGC: 92a.*

SIX treats purchased insurance coverage in strict confidentiality and does not communicate any limits, deductibles or coverage in detail.

351 G11Q082

What is the amount of the deductible?

*PFMI: Q.11.4.3*

*AGC: 92b.*

SIX treats purchased insurance coverage in strict confidentiality and does not communicate any limits, deductibles or coverage in detail.

352 G11Q083

Does the CSD have insurance for Operational Errors?

*PFMI: Q.11.4.3*

*AGC: 93*

- Not applicable
- No
- Yes



353 G11Q084

What is the amount of the coverage?

*PFMI: Q.11.4.3*

*AGC: 93a.*

N/A; SIX treats purchased insurance coverage in strict confidentiality and does not communicate any limits, deductibles or coverage in detail.

354 G11Q085

What is the amount of the deductible?

*PFMI: Q.11.4.3*

*AGC: 93b.*

SIX treats purchased insurance coverage in strict confidentiality and does not communicate any limits, deductibles or coverage in detail.

355 G11Q086

Does the CSD have Errors and Omissions insurance?

*PFMI: Q.11.4.3*

*AGC: 94*

- Not applicable
- No
- Yes

356 G11Q087

What is the amount of the coverage?

*PFMI: Q.11.4.3*

*AGC: 94a.*

SIX treats purchased insurance coverage strictly confidential and does not communicate any limits, deductibles or coverage in detail.

357 G11Q088

What is the amount of the deductible?

*PFMI: Q.11.4.3*

*AGC: 94b.*

SIX treats purchased insurance coverage strictly confidential and does not communicate any limits, deductibles or coverage in detail.

358 G11Q089

Does the CSD have insurance for the Premises?

*PFMI: Q.11.4.3*

*AGC: 95*

- Not applicable
- No
- Yes

359 G11Q090

What is the amount of the coverage?

*PFMI: Q.11.4.3*

*AGC: 95a.*

SIX treats purchased insurance coverage strictly confidential and does not communicate any limits, deductibles or coverage in detail.

360 G11Q091

What is the amount of the deductible?

*PFMI: Q.11.4.3*

*AGC: 95b.*

SIX treats purchased insurance coverage strictly confidential and does not communicate any limits, deductibles or coverage in detail.

361 G11Q092

Does the CSD have any other insurance?

*PFMI: Q.11.4.3*

*AGC: 96, 96d*

- Not applicable
- No
- Yes

362 G11Q093

If so, what is it for?

*PFMI: Q.11.4.3*  
*AGC: 96a.*

SIX has a Public Liability policy from Allianz, a Directors' & Officers' Liability insurance policy under Zurich Insurance Company and a Cyber Risk, Fraud and Indemnity insurance through XL Group. Further details of coverage can be seen in our Insurance Certificates attached. Unfortunately, we cannot state the level of insurance coverage due to confidentiality reasons.

363 G11Q094  
What is the amount of the coverage?

*PFMI: Q.11.4.3*  
*AGC: 96b.*

We cannot provide any further insights. Please consider that SIX SIS as a subsidiary of SIX is covered by the group insurance policies. It is important to note that SIX has a strong capital structure which allows big losses and damages to be carried.

364 G11Q095  
What is the amount of the deductible?

*PFMI: Q.11.4.3*  
*AGC: 96c.*

We cannot provide any further insights. Please consider that SIX SIS as a subsidiary of SIX is covered by the group insurance policies. It is important to note that SIX has a strong capital structure which allows big losses and damages to be carried.

365 G11Q096  
Who is the insurance carrier? If more than one insurance carrier, please list each carrier here and provide your responses to questions 97a and 97b in corresponding order.

*PFMI: Q.11.4.3*  
*AGC: 97*

Please refer to the attached insurance certificates under 98a.

366 G11Q097  
Who is the insurance carrier's parent company, if applicable? (If inapplicable, simply type n/a.)

*PFMI: Q.11.4.3*  
*AGC: 97a.*

Please refer to the attached insurance certificates under 98a.

367 G11Q098  
What is the term of the policy?

*PFMI: Q.11.4.3*  
*AGC: 97b.*

Please refer to the attached insurance certificates under 98a.

368 G11Q099  
Who does the insurance cover?

*PFMI: Q.11.4.3*  
*AGC: 97c, 97d*

- CSD
- Direct CSD participants
- Final investors
- Not applicable
- OTHER:

369 G11Q100

If you feel that you would like to provide additional details on any of the given answers, feel free to provide any additional comments here (maximum of 5,000 characters) or prepare an additional document identifying the question(s) you are commenting on and upload the document under 98a:

*PFMI: Q.11.4.3*  
*AGC: 98*

SIX SIS is a subsidiary of SIX and is as such covered by the group insurance policies.

370 G11Q101  
filecount - Upload document here:

*PFMI: Q.11.4.3*  
*AGC: 98a.*

0

371 G11Q102

Do the CSD's written contracts, rules, or established practices and procedures provide protection against risk of loss of participant assets by the CSD in the form of indemnification?

*PFMI: Q.11.4.3*  
*AGC: 67a, 67b.*

- Yes

- No
- Not applicable
- OTHER:

372 G11Q103

Please explain (then please answer 67c):

*PFMI: Q.11.4.3*

*AGC: 67b.*

Indemnification as part of the duty of the principal towards the service provider which is laid down in the law (see Art. 402 para. 2 of the Swiss Code of Obligations). In this respect, SIX SIS' GTC specify circumstances, under which the indemnification applies (see Art. 7 lit. e or Art. 9 GTC SIX SIS). SIX SIS may also request an indemnification on a case by case basis in connection with "extra services" which result in taking additional risks by SIX SIS for the participant.

SIX has an Indemnity insurance through XL Group. Further details of coverage can be seen in our Insurance Certificates attached.

373 G11Q104

Please provide details of the relevant sections of the contracts, rules or practices where this information is found

*PFMI: Q.11.4.3*

*AGC: 67c.*

Please refer to our response to 67b.

374 G11Q105

Insurance

*PFMI: Q.11.4.3*

*AGC: 67d.*

- Yes
- No
- Not applicable
- OTHER: Please refer to our response to question 67b.

375 G11Q106

Please explain (then please answer 67f):

*PFMI: Q.11.4.3*

*AGC: 67e.*

SIX has an indemnity insurance through XL Group. Further details of coverage can be seen in our Insurance Certificates attached.

376 G11Q107

Please provide details of the relevant sections of the contracts, rules or practices where this information is found

*PFMI: Q.11.4.3*

*AGC: 67f.*

Please refer to our response to 67e.

377 G11Q108

Acknowledgement of liability for losses caused by CSD's own actions.

*PFMI: Q.11.4.3*

*AGC: 67g.*

- Not applicable
- No
- Yes

378 G11Q109

Please explain (then please answer 67i):

*PFMI: Q.11.4.3*

*AGC: 67h.*

Please refer to our General Terms & Conditions, Art. 47. SIX SIS shall not accept any liability for damage if, for reasons that are not its responsibility, it was hindered in the correct and punctual fulfillment of the contract. SIX SIS is liable for damage arising from disturbances, delays, omissions, errors of any nature and other reasons only if SIX SIS is guilty of negligence. According to Swiss law, liability for willful damage or gross negligence cannot be excluded.

379 G11Q110

Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

*PFMI: Q.11.4.3*

*AGC: 67i.*

Please refer to our response to question 67h.

380 G11Q111

Other

*PFMI: Q.11.4.3*  
*AGC: 67j.*

- Yes
- No

381 G11Q112

Please explain (then please answer 67i):

*PFMI: Q.11.4.3*  
*AGC: 67k.*

382 G11Q113

Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

*PFMI: Q.11.4.3*  
*AGC: 67l.*

Please refer to Article 47 ff. of the General Terms and Conditions. In general, SIX SIS shall not accept any liability for damage that is not in its responsibility. Damages arising from illegible or not fully legible, forged or improper instructions shall be borne by the instructing participant. Furthermore, SIX SIS shall not be liable for the behavior of third parties acting on its behalf if it has practiced due diligence in selecting, instructing and – where necessary – supervising them.

384 G11Q115

Are participants permitted to maintain more than one account at the CSD?

*PFMI: Q.11.5.1*  
*AGC: 41*

- Not applicable
- No
- Yes

385 G11Q116

If yes, please indicate number:

*PFMI: Q.11.5.1*  
*AGC: 41a, 41c*

An unlimited number of accounts

More than one account

OTHER:

386 G11Q117

If more than one account what is the maximum?

*PFMI: Q.11.5.1*

*AGC: 41b*

388 G11Q119

Are participants required/permitted to segregate assets held for their own benefit from those they hold for their clients?

*PFMI: Q.11.5.2*

*AGC: 42*

Yes

No

Not applicable

OTHER:

389 G11Q120

If yes, is segregation required or simply permitted?

*PFMI: Q.11.5.2*

*AGC: 42a*

Permitted

Required

390 G11Q121

How does segregation occur?

*PFMI: Q.11.5.2*

*AGC: 42b, 42c*

By separately designated participant accounts.

By sub-accounts within a single participant account.



By separately designated beneficial owner accounts.

OTHER:

391 G11Q122

Does the CSD permit its participants to open accounts in the participant's own nominee name(s)?

*PFMI: Q.11.5.2*

*AGC: 43, 43b*

Not applicable

No

Yes

392 G11Q123

If yes, do laws exist, which define as well as protect the rights of beneficial owners with respect to securities registered in nominee name?

*PFMI: Q.11.5.2*

*AGC: 43a*

Yes

No

394 G11Q126

Please indicate services you provide.

*PFMI: Q.11.6.1*

*AGC: 35*

Own list or: AGC: Information in advance on corporate (annual or special) meetings in order that owners can vote.

Tax assistance where foreign holders may be entitled to tax relief at source or through a claim.

In order to avoid fails, an automatic securities lending facility - if requested - is provided for.

Collateral handling in support of activities including securities lending, overdraft coverage, cash management, repurchase agreements, etc.

- Same day turnaround settlements.
- Information on distribution of new issues (IPO, Privatization).
- Not applicable
- OTHER: Handling of all sorts of corporate actions, automatic market claims, advanced services (Advanced Settlement and Advanced Tax), funds services.

395 G11Q127  
Automatic securities lending facility is provided for:

*PFMI: Q.11.6.1*  
*AGC: 35a*

- Brokers
- Banks
- Other financial institutions
- OTHER:

396 G11Q128  
If collateral handling, please provide details

*PFMI: Q.11.6.1*  
*AGC: 35c*

SIX SIS requires collateral to manage its or its participants' credit exposure and accepts collateral with low credit, liquidity, and market risks. SIX SIS also sets and enforces appropriately conservative haircuts and concentration limits.

Please consider that SIX SIS' core business is the settlement of securities transactions as well as the safe custody and administration of securities. Collateral handling is operated at our sister company SIX Repo. The Securities Finance's offering is called CO:RE (Collateral & Repo) and consists of bilateral securities lending and borrowing (SecLend and SecLend CCP), collateral-secured instruments (COSI), fails-driven coverage (SLB), Repo and tri-party collateral management (TCM) as well as the tri-party agent (TPA) service.

397 G11Q129  
Other, please explain:

*PFMI: Q.11.6.1*  
*AGC: 35d*

Handling of all sorts of corporate actions. automatic market claims. advanced

... of all services of corporate actions, settlement services, ...  
services (Advanced Tax), funds services.

398 G11Q130

What procedures are in place for the processing of corporate action entitlements?

*PFMI: Q.11.6.1*

*AGC: 36*

- Credited to the securities account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.
- Credited to the securities account upon actual receipt by the CSD.
- Corporate action entitlements are handled by an entity separate from the CSD.
- Not applicable
- OTHER:

399 G11Q131

Credited to the securities account:

*PFMI: Q.11.6.1*

*AGC: 36a*

- On pay date.
- On pay date +1.
- On pay date +2.
- OTHER:

400 G11Q132

Name of entity:

*PFMI: Q.11.6.1*

*AGC: 36c*

401 G11Q133

What procedures are in place for the processing of interest and dividends?

*PFMI: Q.11.6.1*

*AGC: 37, 37d.*

- Credited to the cash account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.

- Credited to the cash account upon actual receipt by the CSD.
- Income and dividend collection is handled by an entity separate from the CSD.
- Not applicable
- OTHER:

402 G11Q134  
Credited to the cash account:

*PFMI: Q.11.6.1*  
*AGC: 37a*

- On pay date.
- On pay date +1.
- On pay date +2.
- OTHER:

403 G11Q135  
Name of entity:

*PFMI: Q.11.6.1*  
*AGC: 37c*

### Exchange-of-value settlement systems (PFMI Principle 12)

408 G12Q003  
Does the CSD guaranty settlement?

*PFMI: Q.12.1.1*  
*AGC: 66u.*

Insurance Certificates.zip (252KB)

Insurance  
Certificates

- Not applicable
- Yes
- No
- Other: SIX SIS does not guarantee settlement. However, if a trade is cleared by SIX x-clear, the CCP assumes the counterparty risk.

409 G12Q004

Please explain how this is accomplished. What are the procedures and safeguards that permit the CSD to guaranty settlement?

*PFMI: Q.12.1.1*

*AGC: 66v.*

411 G12Q006

The Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) has identified three common structural approaches or models for linking delivery and payment in a securities settlement system. Please indicate which model your procedures most closely resemble.

*PFMI: Q.12.1.2*

*AGC: 48*

- Model1
- Model2
- Model3
- Not applicable
- OTHER:

412 G12Q007

Please briefly describe your settlement process, including how do your settlement procedures vary from the model chosen above?

*PFMI: Q.12.1.3*

*AGC: 48a*

Model 1: SIX SIS operates a strict SFIDVP-Settlement system (simultaneous, final, irrevocable, delivery versus payment). For the money settlement part SIX SIS' settlement system SECOM is realtime linked with:

- a) the Swiss National Bank's money transfer system SIC for settlements in CHF
- b) the SECB (Swiss Euro Clearing Bank GmbH, Frankfurt) money transfer system euroSic for settlements in EUR.
- c) Settlement through money accounts held at in SIX SIS (commercial bank money)

415 G12Q010

Are the cash and security movements simultaneous?

*PFMI: Q.12.1.3*

*AGC: 49*

- Not applicable
- No
- Yes

416 G12Q011

If cash and security movements are not simultaneous, please indicate the duration of the timing gap

*PFMI: Q.12.1.3*

*AGC: 49a*

- 2 days
- Overnight
- 5 hours
- 4 hours
- 3 hours
- 2 hours
- 1 hour

#### Participant default rules and procedures (PFMI Principle 13)

421 G13Q004

During the past three years, has there been a situation where a participant defaulted which resulted in a significant loss?

*PFMI: Q.13.1.2*

*AGC: 77*

- Not applicable
- No
- Yes

422 G13Q005

How was the situation resolved? Or if you answered "Other," then please explain:

*PFMI: Q.13.1.2*  
*AGC: 77a*

423 G13Q006

Does the stock exchange have default protections that extend to the CSD, such as the following?

*PFMI: Q.13.1.2*  
*AGC: 80*

- Margin requirements for stock exchange members
- Guaranty fund for stock exchange members
- Financial requirements for stock exchange membership
- No
- Not applicable
- OTHER:

424 G13Q007

Please explain:

*PFMI: Q.13.1.2*  
*AGC: 80a*

N/A

427 G13Q010

Participant Default Protections Resulting from a Participant Failure. If a participant defaults, how is the loss covered? (Choose all that apply?)

*PFMI: Q.13.1.4*  
*AGC: 76, 76d*

- CSD insurance covers the loss
- The CSD guaranty fund covers the loss
- Loss is shared among participants
- Not applicable
- OTHER: Please refer to response to question 76d.

428 G13Q011

Please explain the process:

*PFMI: Q.13.1.4*  
*AGC: 76a*

429 G13Q012

Please explain the process of how the loss is shared:

*PFMI: Q.13.1.4*  
*AGC: 76b*

- Limited to participants with transactions with failing counterparty
- Pro-rata based on participant's volume
- Equally, among participants

430 G13Q013

Please explain:

*PFMI: Q.13.1.4*  
*AGC: 76d*

In relation to losses, SIX SIS does not use a solidarity principle but ensures with its sound and conservative risk management principles that its risks against counterparties are held at a minimum. SIX SIS's credit policy allows credit against participants only on a fully collateralized basis against the pledge of high quality collateral (SNB GC Basket eligible for Repo with the Swiss National Bank). Any pre-financings are granted for the sole purpose of securities settlement. They are short-term in nature and must be repaid on the day following the advance. SIX SIS's default management procedure initially foresees loss prevention and mitigation measures through the suspension of the participant, freezing of all cash and securities accounts and cancellation of credit facilities to prevent the accumulation of additional exposure. Depending on the remaining exposure, Risk Management then decides on the liquidation strategy of the defaulting participant's collateral.

#### **General business risk (PFMI Principle 15)**

440 G14Q002

Is a financial audit performed by an Audit Firm, Regulatory Authority, or other external party?

*PFMI: Q.17.2.3*  
*AGC: 15*



Yes

No

441 G14Q003

If yes, please state the name(s) of the entity(ies) who perform the financial audit.

*PFMI: n/a*

*AGC: 15a.*

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442 G14Q004

Please list the date of your last financial audit performed by an Audit Firm, Regulatory Authority, or other external party:

*PFMI: n/a*

*AGC: 15b.*

09/04/2020

443 G14Q005

Please list the period that the audit covered:

*PFMI: n/a*

*AGC: 15c.*

Start date: 01/01/2019

End date: 31/12/2019

444 G14Q006

How frequently does the financial audit occur?

*PFMI: n/a*

*AGC: 15d.*

Less than annually

Annually

Two or more times a year

445 G14Q007

If less than annually, please explain:

*PFMI: n/a*

AGC: 15e.

446 G14Q008

Please select the statement that most accurately characterizes the results of the last financial audit:

PFMI: n/a

AGC: 15g.

- Material exceptions found.
- Minor exceptions found.
- No material exceptions found.

447 G14Q009

If minor or material exceptions were found, what actions were taken? Please describe:

PFMI: n/a

AGC: 15h.

448 G14Q010

Has there been any material loss by the CSD during the past three years?

PFMI: n/a

AGC: 86

- Not applicable
- No
- Yes

449 G14Q011

If there has been a loss, please describe the cause, the final impact and the action taken to prevent a recurrence:

PFMI: n/a

AGC: 86a.

450 G14Q012

Has the CSD been subject to any litigation involving a participant during the past three years?

*PFMI: n/a*  
*AGC: 87*

- Not applicable
- No
- Yes

451 G14Q013  
Please explain the circumstances and resolution:

*PFMI: n/a*  
*AGC: 87a.*

452 G14Q014  
Has the CSD realized revenues sufficient to cover expenses during the past three years?

*PFMI: n/a*  
*AGC: 88, 88a*

- Not applicable
- None of the last three years
- Yes for one of the last three years
- Yes for two of the last three years
- Yes for all three years

453 G14Q015  
Has any participant suffered any losses in the past three years due to the CSD's performance?

*PFMI: n/a*  
*AGC: 30, 30m*

- Not applicable
- No
- Yes

454 G14Q016

If yes, please select all of the following in which loss has occurred. You will be prompted to enter the number of instances and total loss in USD thereafter.

*PFMI: n/a*

*AGC: 30a, 30j*

- Corporate Action
- Settlement Process - Securities
- Settlement Process - Cash
- System Outage
- OTHER:

455 G14Q017

Corporate Action. Please specify number of instances:

*PFMI: n/a*

*AGC: 30b.*

456 G14Q018

Corporate Action. Please specify total loss in USD:

*PFMI: n/a*

*AGC: 30c.*

There have been no losses.

457 G14Q019

Settlement Process - Securities. Please specify number of instances:

*PFMI: n/a*

*AGC: 30d.*

458 G14Q020

Settlement Process - Securities. Please specify total loss in USD:

*PFMI: n/a*

*AGC: 30e.*

There have been no losses.

459 G14Q021

Settlement Process - Cash. Please specify number of instances:

*PFMI: n/a*  
*AGC: 30f.*

460 G14Q022

Settlement Process - Cash. Please specify total loss in USD:

*PFMI: n/a*  
*AGC: 30g.*

There have been no losses.

461 G14Q023

System Outage. Please specify number of instances:

*PFMI: n/a*  
*AGC: 30h.*

462 G14Q024

System Outage. Please specify total loss in USD:

*PFMI: n/a*  
*AGC: 30i.*

There have been no losses.

463 G14Q025

For Other, please specify number of instances:

*PFMI: n/a*  
*AGC: 30k.*

There have been no instances.

464 G14Q026

For Other, please specify total loss in USD:

*PFMI: n/a*  
*AGC: 30l.*

There have been no losses.

468 G14Q030

Does the CSD maintain a reserve for operating losses?

*PFMI: Q.15.2.1*

AGC: 89, 89b

- Not applicable
- No
- Yes

471 G14Q033

Please describe and indicate reserve (for operating losses) amount:

*PFMI: Q.15.2.2*

*AGC: 89a.*

Please refer to our Annual Report 2019 on page 3 where all reserve amounts are indicated.

Please find some details below:

Statutory reserves from capital contribution: CHF 5 million

Statutory reserves from retained earnings: CHF 18.3 million

Other free reserves: CHF 63.1 million

Retained earnings: CHF 99.6 million

Please also refer to the balance sheet in the Annual Reports:

<http://www.six-securities-services.com/en/home/profile/annual-reports.html>

### Custody risk (PFMI Principle 16)

485 G15Q003

Are there any activities performed by a third party on behalf of the CSD for the CSD participants (e.g., vaulting of physical securities, registration, entitlement processing, etc.)?

*PFMI: Q.16.1.1*

*AGC: 29, 29i*

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- Yes
- No
- Not applicable

OTHER:

486 G15Q004

If third parties are employed, please indicate which services they supply:

*PFMI: Q.16.1.1*

*AGC: 29a.*

487 G15Q005

If third parties are employed, does the CSD assume liability for losses incurred by participants as a result of the actions/inactions of the third parties?

*PFMI: Q.16.1.1*

*AGC: 29b.*

Yes

No

488 G15Q006

If you acknowledge responsibility, please indicate whether your responsibility is assumed

*PFMI: Q.16.1.1*

*AGC: 29c, 29e.*

regardless of whether such loss was caused by any action or inaction of the agent

if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be negligence on the part of the agent

if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be gross negligence on the part of the agent

if the loss was caused by the willful default or other willful conduct on the part of the agent

OTHER:

489 G15Q007

If you acknowledge responsibility for agents, your responsibility is assumed for losses

*PFMI: Q.16.1.1*

*AGC: 29d, 29h.*

without limit

- which are not consequential losses
- subject to a monetary limit not based on insurance limits
- subject to a monetary limit based on insurance limits
- OTHER: N/A

490 G15Q008  
Please specify limit:

*PFMI: Q.16.1.1*  
*AGC: 29f.*

491 G15Q009  
Please specify limit:

*PFMI: Q.16.1.1*  
*AGC: 29g.*

496 G15Q014  
Please describe briefly the arrangements / procedures / facilities you maintain to ensure that eligible securities held at the CSD are handled at least as efficiently as compared to securities held outside the CSD, particularly in relation to income, corporate actions and proxy services.

*PFMI: Q.16.3.1*  
*AGC: 62*

Eligible securities held at the CSD are handled the most efficient way possible. For the Swiss market, corporate action notification is always provided by the main paying agent (lead manager, paying agent or applying bank). The main paying agent undertakes to provide SIX SIS, without delay, all necessary information on a specific security (corporate actions, distributions, commissions, etc.). All corporate action entitlements are processed by SIX SIS on behalf of and in collaboration with the Swiss main paying agents.

#### Operational risk (PFMI Principle 17)

514 G16Q011  
Internal Audit. Is an internal audit undertaken in your CSD?

*PFMI: Q.17.2.3*  
*AGC: 14*

- Yes
- No



515 G16Q012

If yes, what areas does the audit cover (financials, operations, etc.) and which department in your CSD handles it?

*PFMI: Q.17.2.3*

*AGC: 14a.*

The Internal Audit function of SIX conducts audits according to IIA standards. It conducts operational and financial audits in all focus areas in accordance with the yearly risk assessment. The annual plan is coordinated with Ernst & Young and submitted to the Audit Committee of the Board of Directors for approval. The independence of the Audit function is assured by the functional reporting line directly to the Audit Committee and the administrative reporting line to the Chairman of the Board of Directors. Internal Audit reports are also distributed to Ernst & Young on behalf of the Swiss authorities.

516 G16Q013

Please list the date of your last internal audit and the period that the audit covered:

*PFMI: Q.17.2.3*

*AGC: 14b.*

Start date:

End date:

Audit date:

517 G16Q014

How frequently does the internal audit occur?

*PFMI: Q.17.2.3*

*AGC: 14c.*

- Less than annually
- Annually
- Two or more times a year

518 G16Q015

If less than annually, please explain:

*PFMI: Q.17.2.3*

*AGC: 14d.*

The Internal Audit team performs audits and quality controls on custody operations, reviews operational processes and reconciliations throughout the year. This includes in-depth checks on certain business areas on an ad-hoc basis. The audits generally cover the last twelve months on a sample basis. The findings of such checks are reported to the Audit Committee of the Board of Directors.

519 G16Q016

Are the results of the internal audit publicly available?

*PFMI: Q.17.2.3**AGC: 14e.*

- Yes
- No

520 G16Q017

Please select the statement that most accurately characterizes the results of the last internal audit:

*PFMI: Q.17.2.3**AGC: 14f.*

- Material exceptions found.
- Minor exceptions found.
- No material exceptions found.

521 G16Q018

If minor or material exceptions were found, what actions were taken? Please describe:

*PFMI: Q.17.2.3**AGC: 14g.*

523 G16Q020

Is an operational audit performed by an Audit Firm, Regulatory Authority, or other external party?

*PFMI: Q.17.2.4**AGC: 16*

- Yes
- No

524 G16Q021

If yes, please state the name(s) of the entity(ies) who perform the operational audit.

*PFMI: Q.17.2.4*  
*AGC: 16a.*

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525 G16Q022  
Please list the date of your last operational audit performed by an Audit Firm, Regulatory Authority, or other external party:

*PFMI: Q.17.2.4*  
*AGC: 16b.*

15/05/2020

526 G16Q023  
Please list the period that the audit covered:

*PFMI: Q.17.2.4*  
*AGC: 16c.*

Start date: 01/01/2019  
End date: 31/12/2019

527 G16Q024  
How frequently does the operational audit occur?

*PFMI: Q.17.2.4*  
*AGC: 16d.*

- Less than annually
- Annually
- Two or more times a year

528 G16Q025  
If less than annually, please explain:

*PFMI: Q.17.2.4*  
*AGC: 16e.*

529 G16Q026  
Please select the statement that most accurately characterizes the results of the last operational audit:

*PFMI: Q.17.2.4*  
*AGC: 16g.*

- Material exceptions found.
- Minor exceptions found.
- No material exceptions found.

530 G16Q027

If minor or material exceptions were found, what actions were taken? Please describe:

*PFMI: Q.17.2.4*

*AGC: 16h.*

537 G16Q034

How is access to the physical building controlled?

*PFMI: Q.17.5.1*

*AGC: 74*

- By guards
- By electronic keys
- personal ID card
- By alarm system
- OTHER:

538 G16Q035

Please explain:

*PFMI: Q.17.5.1*

*AGC: 74a.*

The management of physical access is an essential part of integral security across SIX. In regular audits, compliance with the guidelines, which are coordinated with the Physical Security Officer, are checked. Videotaping and recording of access data are archived under consideration of the data privacy act. Access is restricted to authorized personnel. A personal security code in addition to the ID badge is needed to enter or leave a building before 7am and after 6pm as well as on weekends. Moreover, SIX has secured areas and these zones are subject to the strictest security measures.

541 G16Q038

Regarding data security: Are passwords used by participants to access their accounts?

*PFMI: Q.17.5.3*

*AGC: 71 71a.*

- Not applicable
- No
- Yes

542 G16Q039

Does each user have a unique user ID?

*PFMI: Q.17.5.3*

*AGC: 71c.*

- Not applicable
- No
- Yes

543 G16Q040

Are passwords regularly changed?

*PFMI: Q.17.5.3*

*AGC: 71e.*

- Not applicable
- No
- Yes

544 G16Q041

How often?

*PFMI: Q.17.5.3*

*AGC: 71f.*

Passwords are changed all three months.

545 G16Q042

Is there a user lock-out after a pre-set number of unsuccessful User ID attempts?

*PFMI: Q.17.5.3*

*AGC: 71h.*

- Not applicable
- No
- Yes

546 G16Q043  
How many?

*PFMI: Q.17.5.3*  
*AGC: 71i.*

three

550 G16Q047

How quickly can the main system be reactivated in the event of an outage?

*PFMI: Q.17.6.2*  
*AGC: 82*

- Not applicable
- Longer than 24 hours
- 8 - 24 hours
- 4 - 8 hours
- 1 - 4 hours

553 G16Q050

Will the CSD publicly announce any system interruption?

*PFMI: Q.17.6.4*  
*AGC: 84*

- Not applicable
- No
- Yes

554 G16Q051

To whom will the CSD disclose any system interruptions?

*PFMI: Q.17.6.4*

AGC: 84a.

- To the CSD regulators
- To all direct participants
- To direct and indirect participants
- To the public via the internet
- In the press
- OTHER:

555 G16Q052

If so, please list webpage address:

*PFMI: Q.17.6.4*

AGC: 84b.

556 G16Q053

If so, please list all publications:

*PFMI: Q.17.6.4*

AGC: 84c.

557 G16Q054

Please explain:

*PFMI: Q.17.6.4*

AGC: 84d.

SIX SIS immediately notifies its customers and business partners in the event of an exceptional situation or crisis. In serious events and cases of damage, this information process is subject to the defined guidelines and processes. Customers are also notified of individual service disruptions in accordance with a defined severity and impact classification.

558 G16Q055

How will the CSD disclose any system interruptions?

*PFMI: Q.17.6.4*

AGC: 84e.

- By e-mail
- By telephone
- Public announcement

Press release

OTHER:

559 G16Q056

Please explain:

*PFMI: Q.17.6.4*

*AGC: 84f.*

SIX SIS immediately notifies its customers and business partners in the event of an exceptional situation or crisis.

561 G16Q058

If a back-up system exists, how quickly can the back-up system be activated in the event of the main system failing?

*PFMI: Q.17.6.5*

*AGC: 83*

- Not applicable
- Longer than 24 hours
- 8 - 24 hours
- 4 - 8 hours
- 1 - 4 hours

565 G16Q062

**BUSINESS RECOVERY PLAN.** This section is intended to identify key aspects of the CSD's Business Recovery Plan (BRP), including testing requirements and past results, expected recovery time periods, and the independent review and validation (if any) of the BRP. Do you have a formal business recovery plan?

*PFMI: Q.17.6.8*

*AGC: 81*

- Yes
- No

566 G16Q063

Does your Business Recovery Plan include:



*PFMI: Q.17.6.8*  
*AGC: 81a, 81h.*

- Back-up of all computer files
- Off-site data storage
- Back-up files stored and locked
- Off-site operations facility
- OTHER:

567 G16Q064

Please identify both the frequency and the last date of testing for the following third party:  
CSD participants/members

*PFMI: Q.17.6.8*  
*AGC: 81b.*

SIX's Business Continuity Management guarantees smooth productive processes and uninterrupted business operations. Business continuity organization, business continuity procedures and the restart capability of components, applications, systems and infrastructures are regularly tested to ensure their operability. As part of these tests, the entire documentation is reviewed and, if necessary, corrected. Moreover, updated tests are conducted with industry participants and the Swiss National Bank once a year. The restart of the required system components and applications was successfully tested on September 6 and 7, 2019.

568 G16Q065

Please identify both the frequency and the last date of testing for the following third party:  
Stock exchange

*PFMI: Q.17.6.8*  
*AGC: 81c.*

Tests are conducted with the stock exchanges on an annual basis. The restart of the required system components and applications was successfully tested in September 2019.

569 G16Q066

Please identify both the frequency and the last date of testing for the following third party:  
Central bank

*PFMI: Q.17.6.8*  
*AGC: 81d.*

Tests are conducted with the SNB on an annual basis. The restart of the required system components and applications was successfully tested in September 2019.

570 G16Q067

Please identify both the frequency and the last date of testing for the following third party:  
Local brokers

*PFMI: Q.17.6.8*

*AGC: 81e.*

Updated tests are conducted with industry participants and the Swiss National Bank once a year. The restart of the required system components and applications was successfully tested on September 2019 6 and 7, 2019.

571 G16Q068

Please identify both the frequency and the last date of testing for the following third party:  
Any other third party

*PFMI: Q.17.6.8*

*AGC: 81f.*

Tests are conducted with any other third party on an annual basis. The restart of the required system components and applications was successfully tested in September 2019.

572 G16Q069

In the past three years, has it been necessary to activate the recovery plan in a live situation?

*PFMI: Q.17.6.8*

*AGC: 85*

- Not applicable
- No
- Yes

573 G16Q070

If yes, how much time was needed to implement the recovery plan?

*PFMI: Q.17.6.8*

*AGC: 85a.*

- Longer than 4 hours
- 2 - 4 hours
- 1 - 2 hours

- Less than 1 hour

574 G16Q071

How much time was needed to recover and restore business to normal operations?

*PFMI: Q.17.6.8*

*AGC: 85b.*

- Longer than 24 hours
- 8 - 24 hours
- 4 - 8 hours
- 1 - 4 hours

575 G16Q072

What was the impact to the market?

*PFMI: Q.17.6.8*

*AGC: 85c, 85d.*

- All securities settlements took place as scheduled on the same day with good value
- All cash settlements took place as scheduled on the same day with good value
- All securities settlements took place one business day late with good value
- All cash settlements took place one business day late with good value
- All securities settlements took place one business day late with value one day late
- All cash settlements took place one business day late with value one day late
- All securities settlements took place more than one business day late
- All cash settlements took place more than one business day late
- As a result of the system failure, all fines and penalties for late settlements were waived
- Even though there was a system failure, all fines and penalties for late settlements were still assessed
- OTHER: N/A

576 G16Q073

If no or other, please explain

*PFMI: Q.17.7.4*  
*AGC: 40a.*

578 G16Q075

Are procedures and controls (firewalls) in place to avoid systemic collapse or contamination if one of the linked entities should experience business interruptions for whatever reason?

*PFMI: Q.17.7.1*  
*AGC: 39*

- Yes
- No
- Not applicable

579 G16Q076  
Please explain

*PFMI: Q.17.7.1*  
*AGC: 39a*

Antivirus is installed on servers, workstations and laptops and updated regularly on automated basis. There are currently numerous tools in place which are supposed to not only detect but also protect against attacks like Next Generation Firewalls with IDS (Intrusion Detection System) capabilities, Web Application Firewalls with IDS functionality, filtering mechanisms generally on presentation layers, etc. We implemented an IDS in 2015. In addition to the monitoring at the zone boundaries, neuralgic points are monitored.

583 G16Q080

Has a business interruption recovery plan been developed in the event the linkages should become inoperable for any reason?

*PFMI: Q.17.7.4*  
*AGC: 40*

- Yes
- No
- Not applicable
- Other

SIX SIS's BCM guarantees smooth productive processes and uninterrupted business operations. The objectives of our BCM is to limit the interruption as far as possible.

**Access and participation requirements (PFMI Principle 18)**

587 G17Q003

Are prospective participants subject to an initial review and approval process regarding compliance with eligibility requirements?

*PFMI: Q.18.1.1**AGC: 19*

- Not applicable
- No
- Yes

591 G17Q007

What governs the relationship between the CSD and the participants?

*PFMI: Q.18.2.2**AGC: 20*

- Relevant law and regulation
- Standard participation contract
- Established terms and conditions of participation
- By-laws of the CSD
- Rules of the CSD
- Not applicable
- OTHER:

592 G17Q008

Please explain:

*PFMI: Q.18.2.2**AGC: 20a*

The participation requirements are governed by art. 1 GTC SIX SIS. An important requirement for participation is that they are subject to an adequate degree of regulation and supervision as well as money laundering regulations.

Please refer to our General Terms and Conditions Art. 10. In addition to the present GTC, the contractual relationship between SIX SIS and the participants is also governed by additional rules and regulations. The rules and regulations also form an integral part of the service contract. They comprise the following documents (and their updates): - MarketGuide with references - ServiceGuide/ProductGuide - FrontLine - CloseUp - Urgent Message - Information on Business Partner Interface Specifications - Information of a binding nature made available

to participants on web-based tools - Prices and interest charges - and all updates thereof.

594 G17Q010

PARTICIPANTS AND PARTICIPATION. The purpose of this section is to understand issues relating to participation in the CSD, including eligibility requirements, conditions of participation, and supervision of participants. What types of entities are eligible to become participants and how many of each type are there currently?

*PFMI: Q.18.2.3*

*AGC: 17, 17q*

- Banks
- Brokers
- Individuals
- Foreign Institutions
- Not applicable
- OTHER: Clearing houses, administrative units governed by public law, other organizations active in the settlement, safekeeping or booking of securities

595 G17Q011

How many Bank participants are there currently? (then please answer 17b)

*PFMI: Q.18.2.3*

*AGC: 17a.*

There are approximately 330 participants in total. A breakdown into banks and brokers cannot be provided.

596 G17Q012

Please select the features included in the eligibility requirements for Banks.

*PFMI: Q.18.2.3*

*AGC: 17b, 17d*

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER:

597 G17Q013

Please explain:

*PFMI: Q.18.2.3*  
*AGC: 17d.*

Please consider the participation requirements that are governed by art. 1 GTC SIX SIS. An important requirement for participation is that they are subject to an adequate degree of regulation and supervision as well as money laundering regulations. SIX SIS accepts clients as participants as outlined in the General Terms and Conditions, Chapter 1. Participants may be natural persons or legal entities commercially active in securities trading or settlement for third parties such as banks, securities traders, clearing houses or other organizations active in the settlement, safekeeping or booking of securities.

598 G17Q014  
How many Broker participants are there currently? (then please answer 17f)

*PFMI: Q.18.2.3*  
*AGC: 17e.*

There are approximately 330 participants in total. A breakdown into banks and brokers cannot be provided.

599 G17Q015  
Please select the features included in the eligibility requirements for Brokers.

*PFMI: Q.18.2.3*  
*AGC: 17f, 17h*

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER:

600 G17Q016  
How many Individual participants are there currently? (then please answer 17j)

*PFMI: Q.18.2.3*  
*AGC: 17i.*

601 G17Q017  
Please select the features included in the eligibility requirements for Individual participants.

*PFMI: Q.18.2.3*  
*AGC: 17j.*

- Financial Thresholds

- Regulatory Oversight
- Market Experience
- OTHER: N/A

602 G17Q018

How many Foreign Institution participants are there currently?

*PFMI: Q.18.2.3*

*AGC: 17m.*

There are approximately 136 foreign institutions.

603 G17Q019

Please select the features included in the eligibility requirements for Foreign Institution participants.

*PFMI: Q.18.2.3*

*AGC: 17n, 17p.*

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER:

604 G17Q020

If you have selected "Other entities" above, please explain:

*PFMI: Q.18.2.3*

*AGC: 17q.*

There are other entities such as insurance companies which perform the collateral management and securities financing services and related services.

605 G17Q021

Indicate how many "Other entities" are currently participants?

*PFMI: Q.18.2.3*

*AGC: 17r.*

There are around 30 other entities.

606 G17Q022

Please select the features included in the eligibility requirements for the participants referred to above as "Other entities".



*PFMI: Q.18.2.3*

*AGC: 17s, 17u*

- Financial Thresholds
- Regulatory Oversight
- Market Experience
- OTHER: Insurance companies as per special agreement with FINMA

609 G17Q025

Where can a description of the specific eligibility requirements for Bank participants be found?

*PFMI: Q.18.2.5*

*AGC: 17c.*

The participation requirements are governed by art. 1 GTC SIX SIS which are publicly disclosed and can be found under the link below:

<https://www.six-securities-services.com/dam/downloads/domestic-custody/GTC/mg-general-agb-en.pdf>

610 G17Q026

Where can a description of the specific eligibility requirements for Broker participants be found?

*PFMI: Q.18.2.5*

*AGC: 17g.*

The participation requirements are governed by art. 1 GTC SIX SIS which are publicly disclosed and can be found under the link below:

<https://www.six-securities-services.com/dam/downloads/domestic-custody/GTC/mg-general-agb-en.pdf>

611 G17Q027

Where can a description of the specific eligibility requirements for Individual participants be found?

*PFMI: Q.18.2.5*

*AGC: 17k.*

612 G17Q028

Where can a description of the specific eligibility requirements for Foreign Institution participants be found?

*PFMI: Q.18.2.5*

*AGC: 17o.*

The participation requirements are governed by art. 1 GTC SIX SIS which are publicly disclosed

and can be found under the link below:

<https://www.six-securities-services.com/dam/downloads/domestic-custody/GTC/mg-general-agb-en.pdf>

613 G17Q029

Where can a description of the specific eligibility requirements for participants described above as "Other entities" be found?

*PFMI: Q.18.2.5*

*AGC: 17t.*

614 G17Q030

How does the CSD notify participants of material changes to the conditions of participation?

*PFMI: Q.18.2.5*

*AGC: 22*

- By e-mail
- By telephone
- By public announcement
- By press release
- Not applicable
- OTHER:

615 G17Q031

Please explain:

*PFMI: Q.18.2.5*

*AGC: 22a.*

We will inform participants about such changes with a corresponding News Flash and FrontLine Letter.

617 G17Q033

Who enforces compliance with the CSD's conditions of participation?

*PFMI: Q.18.3.1*

*AGC: 23*

- The CSD
- The exchange

The CSD's regulator Not applicable OTHER:

618 G17Q034

Please explain:

*PFMI: Q.18.3.1**AGC: 23a*

SIX SIS monitors compliance with the participation requirements on an ongoing basis (see art. 24 (4) NBO). The state of participants is reviewed regarding legal, financial and operational aspects. A main point of this review is events concerning the business activities and continuance of a participant and raising the question whether the participant can meet its obligations vis-à-vis SIX SIS in future. It is also a condition of participation that a participant continues to meet the requirements on an ongoing basis. If compliance is doubtful, SIX SIS takes the required and suitable measures to re-establish compliance with the requirements. Where appropriate, SIX SIS is entitled to suspend participation if there are indications that the participant no longer fulfills the requirement for participation. In some cases, even termination might be an adequate measure. The principles for participation and its suspension and termination are governed by art. 1 and 2 GTC SIX SIS.

619 G17Q035

Does the CSD have forms of oversight management for assessing and monitoring of the following?

*PFMI: Q.18.3.1**AGC: 79* Participant eligibility requirements Participant volumes Participant financial strength Other loss or default protections the CSD maintains Collateral requirements for participants Debit caps for participants Settlement controls that minimize or eliminate the risk of default by a participant Blocking of securities movement before receipt of payment

- Blocking payment until securities are moved
- Not applicable
- OTHER: Other forms of risk management used for assessing and monitoring participant exposures

620 G17Q036

Please explain other loss or default protections:

*PFMI: Q.18.3.1*

*AGC: 79a*

621 G17Q037

Please explain the requirements:

*PFMI: Q.18.3.1*

*AGC: 79b*

The process with regard to counterparty risk and short-term interim financing includes annual reviews and a daily mark-to-market valuation of the collateral. SIX SIS has conservative collateral norms and applies at least the standards as defined in the Basel III Accord. For each participant applying for a credit facility, a credit analysis will be performed. The spectrum of credit facilities available depends on their creditworthiness and the collateral provided. SIX SIS uses the Swiss standard approach to calculate its capital adequacy requirements for credit risks according to Basel III.

622 G17Q038

Please explain how these debit caps work:

*PFMI: Q.18.3.1*

*AGC: 79c*

SIX SIS operates a conservative credit policy and consequently credit lines are, in principle, only granted against collateral. The individual credit lines are regularly reviewed by Financial Risk Management. Any limit violation is monitored daily by Risk Management Operations and appropriate actions are taken to prevent issues with late settlements. As soon as a participant exceeds this line, a real-time warning is issued and all debits are immediately stopped for this participant.

623 G17Q039

What type or types of settlement controls

*PFMI: Q.18.3.1*

*AGC: 79d.*

- Blocking or freezing of securities positions
- Controlling DVP settlement

Simultaneous DVP

OTHER:

624 G17Q040

Please explain:

*PFMI: Q.18.3.1*

*AGC: 79e.*

The blocking of securities position on settlement day occurs until the money is received from the counterparty. By using SECOM, credit risks are reduced through the use of the highly sophisticated risk engine. SECOM stands for a high security standard regarding availability, integrity, confidentiality and traceability throughout the entire processing of transactions. Routing transactions through SECOM may require valid credit lines in situations where the respective SIX SIS participant has insufficient funds or securities to settle the RVP/DVP instruction. SECOM will block any transactions due to a shortage of cash or securities and/or collateral and will inform customers in real-time via status intimations about insufficient cash, securities or collateral.

625 G17Q041

Please explain:

*PFMI: Q.18.3.1*

*AGC: 79f.*

1. Securities of the deliverer side are blocked irrevocably provided enough position is available;
2. Cash will be transferred from the receiver to the deliverer when enough position is available (CHF via SIC, Euro via euroSIC);
3. Definitive securities transfer booking from seller to buyer is executed.

626 G17Q042

Please explain:

*PFMI: Q.18.3.1*

*AGC: 79g.*

The SECOM-based settlement procedure is abbreviated SFIDVP (Simultaneous Final and Irrevocable Delivery Versus Payment) and executed in real time. This process involves the rapid, secure and properly recorded transfer of a securities position from the seller to the buyer with simultaneous payment from the buyer to the seller. The booking of orders on a trade-by-trade basis serves to significantly enhance efficiency and reduces the fail rate to nearly zero.

627 G17Q043

Please identify and explain:

*PFMI: Q.18.3.1*

*AGC: 79h*

Please refer to our response to question 79e.

628 G17Q044

Please explain briefly how these work:

*PFMI: Q.18.3.1*

*AGC: 79i*

There is a hold-and-release mechanism in place in order to hold back settlement of a trade by the participant. Furthermore, real-time planning instruments are available so that participants can estimate on the required liquidity in cash and securities prior to the settlement day. Participants using credit lines are constantly monitored.

631 G17Q047

What enforcement actions are available to the enforcement authority?

*PFMI: Q.18.3.3*

*AGC: 24*

- Fines
- Restrictions on participation
- Suspension of participation
- Termination of participation
- Not applicable
- OTHER:

632 G17Q048

Please explain:

*PFMI: Q.18.3.3*

*AGC: 24a*

Please refer to our response to question 630.

633 G17Q049

Has there been any such enforcement actions in the last three years?

*PFMI: Q.18.3.3*

*AGC: 25*

Yes

No

634 G17Q050

If yes, please explain, including information relative to any suspensions of CSD participants:

*PFMI: Q.18.3.3*

*AGC: 25a.*

N/A

#### **Tiered participation (PFMI Principle 19)**

#### **Links (PFMI Principle 20)**

651 G19Q004

Please list all depositories or settlement systems to which you have an electronic link.

*PFMI: Q.20.1.2*

*AGC: 38*

- Clearstream Germany
- Clearstream Luxembourg
- Euroclear Belgium
- Euroclear France
- Euroclear Netherlands
- VP Denmark
- NBB Belgium
- Keler Hungary
- OeKB Austria

#### **Efficiency and effectiveness (PFMI Principle 21)**

#### **Communication (PFMI Principle 22)**

676 G21Q003

Security Control. How do participants receive information (view actual settlement of trades, movement of securities on their accounts, etc.) and see the status of their accounts?

*PFMI: Q.22.1.1*

*AGC: 69*

- By direct electronic link
- By receipt of physical account holding statements
- Not applicable
- OTHER:

677 G21Q004

Please explain:

*PFMI: Q.22.1.1*

*AGC: 69a.*

Real-time online processing is a matter of course by providing real-time notifications on trade status to participants. These status intimations provide participants with information reflecting the most current status of the transactions. In general, the SECOM-based settlement procedure is abbreviated SFIDVP (Simultaneous Final and Irrevocable Delivery Versus Payment) and executed in real time. This process involves the rapid, secure and properly recorded transfer of a securities position from the seller to the buyer with simultaneous payment from the buyer to the seller. Security, network technology and communication infrastructure all correspond to the highest requirements of the industry. All of SIX's important services are maintained at two locations. Critical data is mirrored 24 hours a day, 7 days a week. These data mirroring processes are continuous and in real-time. Data losses can therefore be excluded with a probability bordering on certainty. Moreover, SIX has an information security risk management process, which covers technical, procedural and organizational issues. SIX pursues a multilevel defense-in-depth security concept to defend against attacks. Appropriate and useful combinations of various security measures are implemented on the perimeter, within the network, on servers, in applications, and at the end systems.

678 G21Q005

Do participants have access to affect their holdings, including confirming and affirming trades, movement of securities on their accounts, etc.?

*PFMI: Q.22.1.1*

*AGC: 70*

- Not applicable
- No
- Yes



679 G21Q006

How is access given to participants?

*PFMI: Q.22.1.1**AGC: 70a.* By direct electronic link OTHER:

680 G21Q007

Please select type of electronic link:

*PFMI: Q.22.1.1**AGC: 70b.* Dial-up modem Secured, leased, dedicated telephone line Internet Fax

681 G21Q008

Please explain:

*PFMI: Q.22.1.1**AGC: 70c.*

SIX SIS provides electronic interfaces such as SIS Web Services and webMAX Professional Series. SIS Web Services is a browser-based user interface built to the latest technical standards. Participants of SIX SIS can settle all their securities transactions and securities-related services such as Securities Lending & Borrowing, Repo, SIX SIS Multi-Currency Repo and payment transfers via this tool. A detailed overview of the functionality of SIS Web Services can be found under "SIS Web Services.pdf". webMAX Professional ensures a safe communication via VPN to SECOM. This service is ready for use without any adjustments and very cheap compared to a proprietary software. Participants may use it to settle transactions in securities and securities-related products (SLB, Repo, cash transfers etc.). Please see all functionality details in the attachment "sg-webmax.pdf".

682 G21Q009

Does the CSD communicate with other market entities such as stock exchanges, payment systems, clearing houses, etc., by secured linkages?

*PFMI: Q.22.1.1**AGC: 72* Not applicable

- No
- Yes

683 G21Q010

Please explain:

*PFMI: Q.22.1.1*

*AGC: 72a*

SIX SIS communicates with all market participants such as stock exchanges, payment systems, clearing houses, etc., by secured linkages. The reciprocal rights and obligations arising from links with other financial market infrastructures such as links to other CSDs and foreign sub-custodians, e.g., have to fulfil clear legal and operative criteria. There are also other links, for instance to central counterparties (CCPs) and trading platforms. Operations procedures are, as far as required for the link with a certain financial market infrastructure, governed by concrete service level agreements.

684 G21Q011

How does the CSD communicate with Stock Exchanges?

*PFMI: Q.22.1.1*

*AGC: 73 73a*

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

685 G21Q012

How does the CSD communicate with Payment Systems?

*PFMI: Q.22.1.1*

*AGC: 73b*

- Dial-up modem
- Secured, leased, dedicated telephone line

- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

686 G21Q013  
How does the CSD communicate with Clearing Houses?

*PFMI: Q.22.1.1*  
*AGC: 73c*

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other
- Not applicable
- OTHER:

687 G21Q014  
How does the CSD communicate with Registrars?

*PFMI: Q.22.1.1*  
*AGC: 73d*

- Dial-up modem
- Secured, leased, dedicated telephone line
- Internet
- Fax
- Paper
- other

Not applicable

OTHER:

### Transparency and disclosure (PFMI Principle 23)

712 G22Q020

Capital. Are annual financial statements publicly disclosed?

*PFMI: Q.23.5.3*

*AGC: 13*

sg-webmax.pdf (856KB)	WebMAX	
sg-sis-web-services.pdf (732KB)	SIS Web Services	

No

Yes

713 G22Q021

If yes, the AGC requests a copy of the institution's annual report. Is the annual report available electronically?

*PFMI: Q.23.5.3*

*AGC: 13a.*

Yes

No

714 G22Q022

filecount - If yes, please upload the document(s) here or insert web link(s) in question 13d:

*PFMI: Q.23.5.3*

*AGC: 13b.*

0

715 G22Q023

filecount - If more than one document for 13b, please upload the additional document here:

*PFMI: Q.23.5.3*

*AGC: 13c.*

0

716 G22Q024

Please insert web link(s) for 13b here:

*PFMI: Q.23.5.3*

*AGC: 13d.*

Financial information is published in the Annual Reports of SIX Securities Services and SIX SIS. Please refer to the link below:

<http://www.six-securities-services.com/en/home/profile/annual-reports.html>

717 G22Q025

If no, and annual report and/or financial statements are not disclosed, please state your share capital, reserves, and retained earnings (or equivalents as determined under local accounting standards). Share Capital (then please answer 13f):

*PFMI: Q.23.5.3*

*AGC: 13e.*

718 G22Q026

Reserves (then please answer 13g):

*PFMI: Q.23.5.3*

*AGC: 13f.*

CHF 22.3 million

719 G22Q027

Retained Earnings:

*PFMI: Q.23.5.3*

*AGC: 13g.*

CHF 99.6 million

721 G22Q029

AGC members from time to time receive requests from their direct investor-clients for an informational copy of a CSD's completed questionnaire. Such requests typically lead to interactions between personnel at the CSD in question and member personnel or client personnel, or both. Those interactions take time and impose costs on both members and depositories. Do you approve of AGC members delivering a copy of your completed questionnaire to the member's direct client in response to the client's request?

*PFMI: Q.23.5.4*

*AGC: 100*

Yes

No

722 G22Q030

Are the results of the financial audit publicly available?

*PFMI: Q.23.5.4*

*AGC: 15f*

Yes

No

723 G22Q031

Are the results of the operational audit publicly available?

*PFMI: Q.23.5.4*

*AGC: 16f*

Yes

No

### Compliance with SEC Rule 17f-7

726 G23Q001

Rule 17f-7, by reference to Rule 17f-4, requires that, for a CSD to be eligible to hold securities of U.S. registered investment companies (such depositories hereinafter referred to as “Eligible Securities Depositories”), the CSD must be a “system for the central handling of securities where all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities.”

Are all securities of a particular class or series of any issuer that are deposited in your institution treated as fungible, and can they be transferred or pledged by bookkeeping entry without physical delivery of the securities?

*PFMI: n/a*

*AGC: 1*

annualreport-six-sis-2019.pdf (535KB)

Annual  
Report  
2019

Yes

No

727 G23Q002

Please explain

*PFMI: n/a*

*AGC: 1a*

N/A

728 G23Q003

Rule 17f-7 also requires that an Eligible Securities CSD “acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated,” or “acts as or operates a transnational system for the central handling of securities or equivalent book-entries.” Does your institution:

*PFMI: n/a*

*AGC: 2*

Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated?

Act as or operate a transnational system for the central handling of securities or equivalent book-entries?

Act in another capacity with respect to the handling of securities or equivalent book-entries?

Not applicable

OTHER:

729 G23Q004

Please explain:

*PFMI: n/a*

*AGC: 2a.*

N/A

730 G23Q005

Please specify the types of securities for which you act as or operate a system for the central handling of securities or equivalent book-entries:

*PFMI: n/a*

AGC: 2b.

Government Bonds, Corporate Bonds, Equities, Money Market Instruments, Mutual Funds, Warrants, Derivatives, Structured Products

731 G23Q006

Rule 17f-7 requires that an Eligible Securities Depository regulated by a foreign financial regulatory authority as defined under section 2(a)(50) of the Act , with section 2(a)(50) establishing that z 'foreign financial regulatory authority' means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above." Who regulates the activities of the CSD?

PFMI: n/a

AGC: 8

A governmental body or regulatory organization empowered to administer or enforce laws related to securities matters.

A governmental body or self-regulatory organization empowered to administer or enforce laws related to other financial activities.

A membership organization which regulates the participation of its members in securities matters or other financial activities.

OTHER:

732 G23Q007

Please explain:

PFMI: n/a

AGC: 8a.

N/A

733 G23Q008

Please provide the name of regulatory authority(ies) identified in question 8:

PFMI: n/a

AGC: 9

- Swiss Financial Market Supervisory Authority (FINMA) - Swiss National Bank (SNB) as the supervisory authority of the operation of securities clearing and settlement systems according to the National Bank Act

734 G23Q009

Rule 17f-7 requires that an Eligible Securities Depository is subject to periodic examination by



regulatory authorities or independent accountants. Is the CSD subject to periodic examination by:

*PFMI: n/a*

*AGC: 10*

- Regulatory authorities?
- Independent accountants?
- OTHER:

735 G23Q010

Please explain:

*PFMI: n/a*

*AGC: 10a*

N/A

736 G23Q011

Name of Authority # 1 (please answer 11a):

*PFMI: n/a*

*AGC: 11*

FINMA

737 G23Q012

What enforcement actions are available to regulatory authority # 1 for breach of applicable statute or regulatory requirements?

*PFMI: n/a*

*AGC: 11a.*

- Fines
- Restrictions on CSD activities.
- Suspension of CSD activities.
- Termination of CSD activities.
- OTHER:

738 G23Q013

Please explain:

*PFMI: n/a*

*AGC: 11b.*

N/A

739 G23Q013A  
Name of Authority #2:

SNB

740 G23Q014  
What enforcement actions are available to regulatory authority #2 for breach of applicable statute or regulatory requirements?

*PFMI: n/a*  
*AGC: 11c.*

- Fines
- Restrictions on CSD activities.
- Suspension of CSD activities.
- Termination of CSD activities.
- OTHER:

741 G23Q015  
Please explain:

*PFMI: n/a*  
*AGC: 11d.*

N/A

742 G23Q016  
Has there been any use of such enforcement actions in the last three years?

*PFMI: n/a*  
*AGC: 12*

- Yes
- No
- OTHER:

743 G23Q017  
If yes, please explain:

*PFMI: n/a*  
*AGC: 12a.*

744 G23Q018

Has the regulatory body with oversight responsibility for the CSD issued public notice that the CSD is not in current compliance with any capital, solvency, insurance or similar financial strength requirements imposed by such regulatory body?

*PFMI: n/a*  
*AGC: 90*

- Not applicable
- No
- Yes

745 G23Q019

Please describe:

*PFMI: n/a*  
*AGC: 90a.*

746 G23Q020

In the case of such a notice having been issued, has such notice been withdrawn, or, has the remedy of such noncompliance been publicly announced by the CSD?

*PFMI: n/a*  
*AGC: 90b.*

- No
- Yes
- Other: N/A

747 G23Q021

If yes, please describe:

*PFMI: n/a*  
*AGC: 90c.*

748 G23Q022

If no, why not?

*PFMI: n/a**AGC: 90d.*

749 G23Q023

Rule 17f-7 requires that an Eligible Securities Depository holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable than the conditions that apply to other participants. Please confirm that assets of foreign investors held by custodians as participants in the CSD are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

*PFMI: n/a**AGC: 21*

- Yes
- No
- Not applicable

750 G23Q024

If no, other or not applicable, please explain:

*PFMI: n/a**AGC: 21a.*

751 G23Q025

Please confirm the basis for the arrangements you have in place to ensure that the assets you hold for custodians receive the same level of safekeeping protection as the assets held for other categories of participants.

*PFMI: n/a**AGC: 21b, 21c.*

- Relevant Law and Regulation
- Standard participation contract
- Established terms and conditions of participation
- By-laws of the CSD
- Rules of the CSD
- OTHER:

752 G23Q027

For each item in Question 21b that you checked, please briefly supply references or citations to the law(s), regulation(s), or CSD rule(s), participation condition(s), or participant contract provision (s), as applicable.

*PFMI: n/a**AGC: 21d*

The account structure maintained generally is an omnibus structure, i.e. the assets are held by SIX SIS in favour of its participants. These assets are protected as client assets under local law. In the unlikely case of bankruptcy of SIX SIS (CSD in Switzerland), the positions of the clients will be detached in their favour. This also applies for uncertificated book-entry securities which are held with sub-custodians due to the fact that it is assumed that these positions belong to SIX SIS' clients (Art. 17 and 18 of the Federal Intermediated Securities Act, FISA).

For the Swiss market, where SIX SIS is the local CSD, participants' assets and those of their clients are not mixed up with the assets belonging to any other SIX SIS participants. According to Art. 69 FMIA, participants must segregate their proprietary assets from the assets of their clients. This affects all assets that are held at a CSD including the foreign markets.

753 G23Q028

Rule 17f-7 requires that an Eligible Securities Depository provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant's account. Does the CSD make available periodic safekeeping reports to participants, including notices of transfers to or from the participant's account?

*PFMI: n/a**AGC: 46* No Yes

754 G23Q029

If no or other, please explain

*PFMI: n/a**AGC: 46a.*

755 G23Q030

If yes, please indicate the scheduled frequency:

*PFMI: n/a**AGC: 46b, 46c.* Daily

- Weekly
- Monthly
- Quarterly
- Annually
- Upon request
- OTHER:

756 G23Q031

Does the CSD maintain records that identify the assets of each participant and segregate the system's own assets from the assets of participants?

*PFMI: Q.11.5.2*

*AGC: 53, 53a*

- Yes
- No
- Not applicable
- OTHER:

### Relevant RSSS recommendations

#### Cyber Security

764 G25Q001

Does your organization have a documented cyber security policy in place?

*PFMI: n/a*

*AGC: 101*

- Yes
- No

SIX has a Security Policy framework in place including cyber security. The security policies cover all relevant areas like security governance, risk assessment, access control, data classification and protection, system hardening and vulnerability management, incident response, awareness and training. For reasons of confidentiality, please note that our policies are for internal use only and cannot be shared. However, please consider the attached document about Cyber Security Services at SIX.

SIX established a Security Operations Center (SOC) that provides cyber-security services by elaborating cyber-security insights derived from a library of over one million known threats. The SOC has access to the latest security tools and is a leading defender against cybercrime. Hence, the SOC is a specialized cyber security competence center which works 24/7, monitors infrastructures, applications, suspicious behaviors and data centrally and searches for indicators of cyber-attacks. It arms security analysts with the collective knowledge and instinct needed to respond to threats with greater confidence, with speed and scale.

Additionally, our Cyber Security Hub provides banks and insurance companies with reliable and relevant information on current risks and dangerous developments in the cyber security area. SIX has set up a closed community for financial institutions in

Switzerland around cyber security matters. Community members regularly exchange information and receive insights from their peers and our experts.

765 G25Q001A

filecount - If you answered Yes to the previous question, please provide a copy or overview

0

766 G25Q002

Please confirm that your staff receive relevant training about this policy.

*PFMI: n/a*

*AGC: 102*

Yes

No

Our staff receives ongoing training and instructions about cyber security and the respective threats.

767 G25Q003

Please provide an overview of your policy for continuity of business in the event of a large data breach or cyber attack against your organization.

*PFMI: n/a*

*AGC: 103*

The cyber security incident response process follows the standard IT security incident process. SIX protects against zero-day attacks using defense in depth, security monitoring and analysis strategies as well as specific prevention measures for critical assets. A SIRT (Security Incident Response Team) organization is in place in order to ensure that cyber threats are detected in a timely manner and patches are implemented accordingly. The defense in depth strategy consists of various policies, methods and technologies implemented to protect sensitive information at-rest, in-transit and in-use. The following measures support the prevention and detection of such information: data classification policies, access management according to the "need-to-know" principle, endpoint security including the encryption of mobile devices and blocking of removable media, blocking of access to web-based cloud services as well as e-mail content filtering and encryption.

768 G25Q004

In the last 12 months have there been any changes to the policy?

*PFMI: n/a*

*AGC: 104*

Yes

No

769 G25Q005

Please advise how often you review the policy.

PFMI: n/a  
AGC: 105

- Annually
- Semi-annually
- Other

Our Security Policy is reviewed periodically but at least on a yearly basis.

770 G25Q006

filecount - Please provide (as an attachment) a diagram showing where your cyber security function resides and who it reports to.

PFMI: n/a  
AGC: 106

six-corporate-security-brochure-en.pdf (3084KB)

Cyber Security

1

771 G25Q007

How does your organization identify which business functions carry a cyber risk

PFMI: n/a  
AGC: 107

The security structure is based on the ISF (Information Security Forum) Standard of Good Practice for Information Security and is aligned with the NIST (National Institute of Standards and Technology) Cyber Security Framework. SIX conducts regular cyber risk and control assessments. In addition, SIX established an automated vulnerability scanning system, which alerts detected vulnerabilities in the Security Information and Event Management (SIEM) system of the 7x24h Security Operations Center (SOC). Several monitoring tools are in place like Intrusion Detection System (IDS), log monitoring, web applications firewalls, antivirus on the client and server side as well as vulnerability scans and a Data Leakage Prevention (DLP) program.

772 G25Q008

Do you conduct ongoing testing and monitoring processes to ensure that all internal and external connectivity and system configurations are not at risk of cybersecurity breaches?

PFMI: n/a  
AGC: 108

- Yes
- No

Please refer to the following types of cyber-risk testing and their frequency:

- Penetration testing is conducted on a yearly basis for web facing applications
- Vulnerability scans are applied on a monthly basis
- Malware scans exist for all files leaving and entering the SIX network as well as on access for critical data and on servers
- Intrusion detection occurs between zones



773 G25Q009

What technological controls and protections are in place for your systems and networks?

*PFMI: n/a*

*AGC: 109*

Please also refer to our response to question 772. There are several protective controls in place such as:

- Controls as part of our Internal Controls System (ICS)
- Network architecture based on different zones, protected against each other, DMZ etc.
- Web Entry Server at the entrance points
- Encryption of critical data
- Digital signatures for messages exchanged with our clients
- Filtering of incoming traffic

Our security posture is based on the ISF control framework and is aligned with the NIST Cyber Security Framework. We conduct regular cyber risk and control assessments resulting in the need of additional mitigation measures and a continuous improvement.

774 G25Q010

Does your organization use multi-factor authentication

*PFMI: n/a*

*AGC: 110*

Yes

No

We use a 2-factor authentication with a SecurID. Participant access is based on messages while every message is digitally signed using a public key infrastructure. Inside SIX, network system to system communication is using 2-way SSL for encryption and authentication.

775 G25Q011

Where your organization has outsourced activities or functions to a third-party provider, is your cyber risk exposure documented?

*PFMI: n/a*

*AGC: 111*

Yes

No

Please note that SIX has not outsourced any activities or functions to a third-party provider. In contrast, our Cyber Security Services offering protects banks and insurance companies against cyber attacks. Our SOC enables banks to concentrate on their core business. In this way, SIX makes a significant contribution to making the Swiss financial centre safer.

776 G25Q012

What measures does your organization have to ensure early detection of a cyber attack?

*PFMI: n/a*

*AGC: 112*

SIX protects against zero-day attacks using defense in depth, security monitoring and analysis strategies as well as specific prevention measures for critical assets. A SIRT (Security Incident Response Team) organization is in place in order to ensure that cyber threats are detected in a timely manner and patches are implemented accordingly. A Security Board supervises IT security with a cyber-security monitoring team working around the clock. The Security Operations Center (SOC) is a specialized cyber security competence center which works 24/7, monitors infrastructures, applications, suspicious behaviors and data centrally and searches for indicators of cyber-attacks.

There are several measures in place:

- Network architecture; intrusion detection with monitoring at the zone boundaries including neuralgic points inside the zones protecting against each other, DMZ etc.
- Web Entry Server at the entrance points
- Encryption of critical data
- Digital signatures for messages exchanged with our clients
- Filtering of incoming traffic
- Log Monitoring
- Web Application Firewall
- Antivirus on client and server side
- Vulnerability scanning
- Firewalls

**777 G25Q013**

What is the agreed resumption time for critical operations following a cyber attack?

*PFMI: n/a*  
*AGC: 113*

Our business functions and processes are subject to ongoing risk assessments in terms of criticality. The time for recovery in case of system outages is very short as the parallel Sysplex architecture is fully automated and ensures that a backup processing is up and running within a period of max. 2 hours. The different services offered by SIX are classified in terms of business critical criteria (i.e. availability requirement, service level agreements). This classification serves as the basis for the respective reaction and restart times.

**778 G25Q014**

How would you advise clients of a successful cyber attack against your organization?

*PFMI: n/a*  
*AGC: 114*

We would urgently advise our clients according to our crisis management plans and policies. Please note that we have not had any system security breaches recently.

**779 G25Q015**

In the last 12 months has your organization been subject to a cyber attack that impacted the service you provide to us? If yes, please provide details.

*PFMI: n/a*  
*AGC: 115*

- Yes
- No

Standard attacks on our infrastructure occur daily. These are detected and handled by our security systems. From time to time we encounter broader (D)DOS attacks which have not had big impact in the past, also due to different communication services providers and their measures. All incidents are handled by the 24x7 incident response organization and processes. The cyber security incident response process follows the standard IT Security incident process established at SIX. Processes for the identification, treatment and escalation of IT Security incidents are implemented.

780 G25Q016

Are the following elements of your cybersecurity framework tested pre and post deployment of changes?

*PFMI: n/a**AGC: 116*

- Vulnerability assessment
- Scenario based penetration tests
- Testing of incident response process and technical/business/operations (e.g. table-top exercise)
- OTHER: Our security structure is based on the ISF Standard of Good Practice and is aligned with the NIST Cyber Security Framework. SIX conducts regular cyber risk and control assessments. All monitoring tools like IDS, log monitoring, penetration tests, web applications firewalls, antivirus on the client and server side as well as vulnerability scans are in place and tested prior to and after being employed.

781 G25Q017

For cloud technology and associated cyber security risks, do you have procedures and controls in place to protect our information from mishandling or theft?

In the comments section could you please explain how these procedures and controls tie back to your record retention policy?

*PFMI: n/a**AGC: 117*

- Yes
- No

SIX does not use any cloud services. SIX has a "defense-in-depth" strategy consisting of various policies, methods and technologies implemented to protect sensitive information at-rest, in-transit and in-use.

782 G25Q018

Does your organization conduct dark web searches for signs of a breach (internet protocol or customer/client personally identified information for sale)?

*PFMI: n/a**AGC: 118*

- Yes
- No

Our Cyber Security team conducts active dark web searches and looks for signs of a breaches. We search for key words, SIX assets, threat actors who plan any campaigns against the Swiss financial center and we do also receive threat intelligence reports in

order to counter any threats.

We have rapid, safe, extensive access to illicit communities including closed, invite-only, and password-protected sources, as well as paste sites, technical data, stolen credentials, and social media sites exploited by threat actors. We are also able to engage directly with threat-actors on behalf of CTI (Cyber Threat Intelligence) teams when necessary.

Subject matter experts (SMEs) produce Finished Intelligence daily on the latest threats, trends, events, and research findings relevant to CTI teams. Reporting includes expert context and analysis to help teams reduce alert fatigue and more effectively identify and mitigate imminent or existing cyber threats to their organizations.

Our community serves as an extension of customers' teams. FPCollab, an information-sharing group for SMEs and customers, includes leading CTI experts who frequently collaborate, share critical insights, and give and receive support within this community.

783 G25Q019

Is your organization aware of SWIFT's Customer Security Program (CSP)?

PFMI: n/a

AGC: 119

Yes

No

The SWIFT Customer Security Controls Framework describes a set of mandatory and advisory security controls for SWIFT customers. Mandatory security controls establish a security baseline for the entire community, and must be implemented by all users on their local SWIFT infrastructure. We are member of the CSP Expert Group.

Please note that under the terms of the current CSP Framework, SIX does not request access to the self-attestation of other SWIFT counterparties. As the terms of the CSP Framework undergo regular changes in line with the continuous evolution of the CSP, SIX SIS will review its position and reserves the right, at any stage, to issue requests to other SWIFT users in order to have access to their CSP self-attestations.

784 G25Q020

Does your organization ensure compliance with SWIFT's CSP controls?

PFMI: n/a

AGC: 120

Yes

No

We comply with the SWIFT CSP controls and have the controls audited by an external audit.

785 G25Q021

Does your organization respond to requests for your institution's attestations?

PFMI: n/a

AGC: 121

Yes

No

We have established a corresponding process to respond to these requests. We provide our attestation to a third party only when it maintains a business relationship with SIX SIS.

786 G25Q022

Does your organization request the attestation details of your counterparties and incorporate the responses into ongoing relationship and risk management programs?

*PFMI: n/a*

*AGC: 122*

Yes

No

Whenever SIX SIS receives a request for attestation as outlined in response to question 785, we therefore ask for the attestation details of our counterparty too.

## Appendices