

Media Release

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Disclosure rules in motion

The Disclosure Office at SIX Swiss Exchange publishes its 2013 Annual Report

- **The number of possible breaches declined in proportion to the number of disclosure notifications.**
- **In the year under review, the Swiss Federal Supreme Court delivered an important judgment relating to the disclosure rules. Disclosure obligations were thereby relaxed, which has a negative impact on the desired degree of transparency.**

Number of notifications up, number of potential breaches down

Compared with the previous year, the number of disclosure notifications rose almost 30% to 1,240 in the year under review (2012: 960). In the course of its work, the Disclosure Office noted 103 possible breaches of the reporting obligations. This number was much the same as in the previous year (108). There was thus a significant decline in the number of potential breaches as a proportion of the number of notifications.

One probable reason for this was that the Swiss Financial Market Supervisory Authority (FINMA) and the Federal Department of Finance (FDF) tightened up their enforcement of the obligation to disclose shareholdings, thus prompting those subject to reporting requirements to discharge their duties more conscientiously.

Landmark ruling by the Swiss Federal Supreme Court

A significant Supreme Court judgement in the area of disclosure rules was given in the year under review. The version of the Stock Exchange Ordinance-FINMA currently in force states that persons who are permitted freely to exercise voting rights in respect of shares without being the beneficial owner of these shares (e.g. asset managers) are subject to disclosure obligations. The Federal Supreme Court ruled that the relevant provision of the ordinance is not covered by the wording of the Stock Exchange Act.

It does not appear to be conducive to the desired market transparency that persons should be freed from disclosure obligations despite being able to exercise voting rights in listed companies to a significant degree. There are now plans to incorporate the relevant reporting requirement in the Financial Market Infrastructure Act (FMIA). This is to be welcomed because it increases transparency regarding who is actually empowered to exercise voting rights.



Click on the following link to view the 2013 Annual Report of the Disclosure Office of SIX Swiss Exchange. http://www.six-exchange-regulation.com/obligations/disclosure/annual_reports_en.html

Further information can be found at www.six-exchange-regulation.com/obligations/disclosure_en.html.

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Disclosure Office

The Disclosure Office is a separate department within SIX Exchange Regulation. SIX Exchange Regulation is independent of the Exchange's operating business and reports directly to the Chairman of the Board of Directors of SIX Group Ltd. The fulfillment of the statutory tasks of the Disclosure Office is subject in legal terms to direct supervision by the Swiss Financial Market Supervisory Authority FINMA. The Disclosure Office does not hold any state authority of its own, however.

The Disclosure Office, which has a basis in federal law, was created in connection with the introduction of the obligation to disclose holdings in companies incorporated in Switzerland whose equity securities are listed, in whole or in part, in Switzerland, or a company not domiciled in Switzerland whose equity securities are mainly listed in whole or in part in Switzerland, if they reach, exceed or fall below certain thresholds (3, 5, 10, 15, 20, 25, 33 1/3, 50 and 66 2/3 percent of voting rights). The disclosure of significant shareholders creates transparency about ownership structures and financial interests in listed companies, and functions as an early warning system for possible takeovers. The task of the Disclosure Office is to receive notifications of shareholdings, to monitor compliance with reporting and disclosure obligations, to report possible breaches of reporting obligations to FINMA, to grant exemptions or relief from reporting obligations, and to render preliminary decisions on whether an obligation to notify exists or not.

SIX Exchange Regulation

SIX Exchange Regulation performs the functions assigned under Swiss federal law and enforces and monitors compliance with the rules laid down by the Regulatory Board. SIX Exchange Regulation imposes sanctions in so far as it is authorised to do so by the regulations, or submits sanction requests to SIX Swiss Exchange's Sanction Commission.

SIX Exchange Regulation's independence from SIX Swiss Exchange's operating business is guaranteed by its direct subordination to the Chairman of the Board of Directors of SIX Group. SIX Exchange Regulation consists of the divisions Listing & Enforcement, responsible for regulating issuers, and Surveillance & Enforcement monitoring trading.

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SIX

SIX operates Switzerland's financial market infrastructure and offers on a global scale comprehensive services in the areas of securities trading, clearing and settlement, as well as financial information and payment transactions. The company is owned by its users (approximately 140 banks of various size and orientation) and, with its workforce of more than 3,700 employees and presence in 24 countries, generated an operating income of 1.58 billion Swiss francs and a Group net profit of CHF 210.2 million in 2013. www.six-group.com