

SIX Swiss Exchange message no. 16/2017

Title	Merger by absorption of SIX Structured Products Exchange Ltd into SIX Swiss Exchange Ltd
Category	Regulations
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Information 

Content of this message:

- SIX Structured Products Exchange Ltd to be absorbed into SIX Swiss Exchange Ltd
- Termination of participation agreements and ASP contracts by SIX Structured Products Exchange Ltd
- Launch of new trading segment for Structured Products at SIX Swiss Exchange Ltd
- Overview of all changes in connection with the merger by absorption
- Publication of updated rules and directives of SIX Swiss Exchange Ltd.
- Rollout plan

In [SIX Swiss Exchange message no. 27/2016](#), SIX Swiss Exchange announced the upcoming merger by absorption of **SIX Structured Products Exchange Ltd** effective 2 May 2017.

In the present message, SIX Swiss Exchange Ltd and SIX Structured Products Exchange Ltd inform participants about the termination – effective 30 April 2017 – of participation agreements by SIX Structured Products Exchange Ltd, the amended regulations of SIX Swiss Exchange Ltd effective 2 May 2017, about functional and technical changes and about the rollout plan.

Functional Changes

Below you will find detailed information on the merger by absorption of SIX Structured Exchange AG into SIX Swiss Exchange Ltd:

- **Termination of participation agreements and ASP contracts by SIX Structured Products Exchange Ltd**
 - SIX Structured Products Exchange Ltd hereby terminates all participation agreements and ASP contracts, effective 30 April 2017.
- **New Trading Segment on SIX Swiss Exchange**
 - Effective 2 May 2017, SIX Swiss Exchange Ltd will launch a new trading segment for Structured Products. All existing participants of SIX Structured Products Exchange Ltd will automatically be migrated to the new trading segment. Participants interested in being authorized for trading on the new trading segment should contact Member Services (member.services@six-swiss-exchange.com / +41 58 399 2473).
 - You will find all forms for any configuration adjustments at the following link on the SIX Swiss Exchange website:
https://www.six-swiss-exchange.com/participants/participation/forms_en.html.
- **Listing**
 - The listing of Structured Products will remain unaffected. Issuers may continue to submit applications for admission to trading of Structured Products on SIX Swiss Exchange Ltd via [CONNEXOR® Listing](#).
 - The rules and guidelines for listing derivatives remain unchanged and are available on the [SIX Exchange Regulation](#) website.
- **Trading**
 - Trading in Structured Products on SIX Swiss Exchange Ltd will be continued as trading segment “Structured Products” (580) of SIX Swiss Exchange Ltd under the same “XQMH” Market Identifier Code (MIC).

- The open orders with validity “good-till-date” in Structured Products entered in the order books of SIX Structured Products Exchange Ltd will not be deleted on the merger date but will be continued in the order book of SIX Swiss Exchange Ltd instead.
- The trading parameters on SIX Swiss Exchange Ltd in Structured Products remain materially unchanged. You can now find the currently applicable trading parameters that will enter into force on 2 May 2017 in [Annex N to Directive 3: Trading](#) of SIX Swiss Exchange Ltd and in the [Trading Guide – Market for Structured Products](#).
- Starting 2 May 2017, the Bilateral Trading platform for Structured Products (XBTR) will be operated by SIX Swiss Exchange Ltd. The “XBTR” Market Identifier Code (MIC) will remain unchanged.
- **Connectivity**
 - Neither the technical connectivity to exchange services (SCAP / Co-Location / Application Software Provider) nor the trading and market data interfaces to the SWXess platform will change as a result of the absorption of SIX Structured Products Exchange Ltd.
- **Invoicing**
 - Fees and costs for trading in Structured Products on SIX Swiss Exchange Ltd will be regulated by SIX Swiss Exchange Ltd in [Annex J to Directive 7: Fees and Costs](#). The amended directive will enter into force on 2 May 2017.
 - Starting 1 June 2017 (billing run for May 2017), **participants will receive only a single invoice** for the trading fees and for connectivity and capacity fees.
 - In the future, the trading fees for on and off order book trading on SIX Swiss Exchange Ltd for all markets and segments, including Structured Products, will be grouped into a single invoice and broken down by market and segment.
 - The connectivity and capacity fees for all markets and segments will now likewise be combined into a single invoice and grouped according to fees and segment.
 - Invoices for exchange services will continue to be available for download in the Member Section at the following link: [SIX Swiss Exchange Invoices](#). SIX Swiss Exchange Ltd will continue to make available to participants the archived invoices of SIX Structured Products Exchange Ltd in the Member Section until end-2017.
 - Invoicing for trading on the Bilateral Trading platform for Structured Products (XBTR) will be carried out by SIX Swiss Exchange Ltd from 2 May 2017 onwards. The invoices will be available in the Member Section at the following link: [XBTR Invoices Search](#).
 - Also starting 1 June 2017 (billing run for May 2017), **billing reports will be consolidated for all markets**.
 - The SIX Swiss Exchange – Detail Billing Report will now contain a summary of all trading transactions on SIX Swiss Exchange Ltd for all markets and segments. Billing reports will continue to be available for download in the Member Section at the following link: [Billing Reports SIX Swiss Exchange](#). SIX Swiss Exchange Ltd will continue to make available to participants the archived billing reports of SIX Structured Products Exchange Ltd in the Member Section until end-2017.
 - The transactions in XBTR, as well as off-exchange trades, will continue to be listed in dedicated billing reports.
 - The modified [Billing Report File Interface Specification](#) is available in the Member Section of SIX Swiss Exchange.

Technical Changes and Migration

The merger by absorption of SIX Structured Products Exchange Ltd into SIX Swiss Exchange Ltd will not necessitate any technical changes to the trading and market data interfaces of the SWXess platform nor a migration of transactional data or reference data.

SIX Swiss Exchange will make the following configuration adjustments:

RDI attribute	Previous value	New value
securityExchange	XQMH SIX Structured Products Exchange	XQMH SIX Swiss Exchange – Structured Products
tradingSegmentId	580	580
tradingSegmentDescription	SIX Structured Products	Structured Products

RDI attribute	Previous value	New value
clearingSettlementSegmentCode	DENC	DENC
clearingSettlementSegmentDesc	SIX Structured Products (not cleared)	Structured Products (not cleared)
billingSegmentCode	3130	3130
billingSegmentDesc	Structured Products Exchange – Warrants	Structured Products – Warrants
	3131	3131
	Structured Products Exchange – Structured Products	Structured Products – Structured Products
	3132	3132
	Structured Products Exchange – Various Products	Structured Products – Various Products

The configuration adjustments are transparent to participants and visible in the Reference Data Interface (RDI). The conversion will occur in the Production and Membertest environment simultaneously on 2 May 2017.

Regulatory Changes

As a result of the merger by absorption of SIX Structured Products Exchange Ltd into SIX Swiss Exchange Ltd, the following rules, directives and guides have been updated and will **enter into force on 2 May 2017**. The updated regulations are now available on the [SIX Swiss Exchange](#) website:

- **Rule Book** of SIX Swiss Exchange Ltd
- **Directives** of SIX Swiss Exchange Ltd
 - Directive 3: Trading
 - Directive 7: Fees and costs
- **Guides**
 - Trading Guide
 - Reporting Guide

We also inform you about the adjustment of the final provisions of the Rule Book, which allows for the transfer of foreign data to service providers abroad.

You will find a detailed list of the revisions made to the rules and directives of SIX Swiss Exchange in the table below and at the following link on the SIX Swiss Exchange website:

http://www.six-swiss-exchange.com/participants/regulation/revisions/rule_book_en.html

Document	Type of change	Reference	Title
Rule Book	New	Clause 14.2.2, para. 3	Contractual content for derivatives
	Amended	Clause 20, para. 4	Confidentiality
	New	Clause 20, para. 5	Confidentiality
	New	Clause 27, para. 12	Audit

Document	Type of change	Reference	Title
Directive 3: Trading	Amended	Clause 5.1.3, lit e)	Order specification
	Amended	Clause 5.2.2, lit e)	Quote specification
	Amended	Clause 13 para. 2, lit d)	Trade reports
	New	Clause 20 para. 1, lit. d)	Market for Structured Products
	New	Annex M Clause 7, para. 3	Clearing and Settlement for UK Gilts
	New	Annex N	Structured Products
Directive 7: Fees and costs	New	Clause 1.2	Scope
	Amended	Clause 1.3	List of fees
	New	Clause 7.5	Special fees for on-exchange, on-order-book trading
	New	Annex J	Structured Products

The Rule Book and the Directives of [SIX Structured Products Exchange Ltd](#) will be abrogated effective 30 April 2017.

The terms of use for the Bilateral Trading platform XBTR will be adapted to new platform operator SIX Swiss Exchange Ltd and in Sec. 8.1 effective 2 May 2017.

Similarly, the Trading Guides have been updated in connection with the merger by absorption of SIX Structured Products Exchange Ltd into SIX Swiss Exchange Ltd and are available at the following link:
http://www.six-swiss-exchange.com/participants/regulation/trading_guides_en.html

The required regulatory-driven changes regarding the Swiss Financial Market Infrastructure Act (FMIA) and MiFIDII will be implemented as part of SWXess Maintenance Release 7 (SMR7) in October 2017. This accords with the end-2017 implementation deadline set by the Federal Council on 29 June 2016. Information on SMR7 will be published in a [SIX Swiss Exchange message](#) in April 2017. In the interim, you will find information on the implementation of the FMIA on the "[Regulatory Changes](#)" website.

Rollout

The table below lists the most important dates in connection with the merger by absorption of SIX Structured Products Exchange Ltd into SIX Swiss Exchange Ltd:

Date	Environment	Activity
28 April 2017	Membertest Production	Configuration adjustments visible in the RDI file after close of trading
29 April 2017		Market closed – weekend
30 April 2017		
1 May 2017		Market closed – Labor Day

Date	Environment	Activity
2 May 2017	Membertest Production	Entry into force of new regulations
		Merger by absorption of SIX Structured Products Exchange Ltd into SIX Swiss Exchange Ltd.
		First trading day with new configuration
3 May 2017	Production	Billing run for April 2017 (separate invoices for SIX Swiss Exchange and SIX Structured Products Exchange)
2 June 2017		Billing run for May 2017 (consolidated SIX Swiss Exchange invoice and billing reports for all markets and segments)

SIX Swiss Exchange continuously strives to expand and improve its range of services and products, as well as its SWXess trading platform. Our participants are able to benefit from these improvements, which guarantee continued efficient trading.

If you have any questions, please do not hesitate to contact Member Services:

Tel.: +41 58 399 2473

E-mail: member.services@six-group.com

Links to SIX Swiss Exchange:

www.six-swiss-exchange.com | [Member Section](#) | [Forms](#) | [Rules](#) | [Directives](#)