Cross-Border Listings Guide - SIX Swiss Exchange

| Contents |
| --- |
| To generate table of contents, right-click here and select **Update Field.** |

# Quick Summary

## Initial financial listing requirements

[Last updated: 1 January 2024, unless otherwise noted]

To qualify for a *primary listing* according to the International Reporting Standard, a company typically must meet the following financial requirements:

Equity of at least CHF2.5 million (approx. US$2.91 million).

Aggregate free float market capitalization of at least CHF25 million (approx. US$29.06 million) and a free float of at least 20%.

These requirements apply only at the time of listing and do not have to be fulfilled during the entire term of the listing to maintain the listing.

A foreign company may alternatively choose to list its securities on the SIX Swiss Exchange as a *secondary listing*, if it is already listed on an exchange recognized by the Regulatory Board of SIX Exchange Regulation as being equivalent.

As a general rule, certain concessions apply to secondary listings, because to a significant extent, the listing rules and regulations of the primary exchange are applicable instead of the SIX Exchange Regulation's own standards.

In particular, a foreign company typically must comply with the following financial requirements to qualify for a secondary listing:

Compliance with the primary exchange's requirements on share capital and/or equity.

Capitalization of shares circulating in Switzerland of at least CHF10 million (approx. US$11.63 million) or alternative proof of genuine market.

## Other initial listing requirements

[Last updated: 1 January 2024, unless otherwise noted]

*Share price.* The SIX Swiss Exchange does not require the company to have and/or maintain a minimum trading price for its securities.

*Distribution.* To list its securities, a company must have an adequate free float. For a primary listing, free float is considered adequate if:

At least 20% of the company's outstanding securities of the same category are in public ownership.

The securities in public ownership have an aggregate market capitalization of at least CHF25 million (approx. US$29.06 million).

For a secondary listing, free float is deemed to be adequate if either:

The capitalization of the shares circulating in Switzerland is at least CHF10 million (approx. US$11.63 million).

The company can otherwise demonstrate that there is a genuine market for the equity securities.

*Accounting standards.* Audited financial statements of companies with a primary listing must be prepared in compliance with IFRS (as issued by IASB), US GAAP or other internationally recognized accounting standards. With respect to a secondary listing, the company must fulfill the requirements of the primary exchange.

*Financial statements.* A company with a primary listing is expected to provide audited annual reports of its last two full financial years, together with comparative figures for the previous year. With respect to a secondary listing, the company must fulfill the requirements of the primary exchange.

*Operating history.* An operating history of at least three years is generally required. Exceptions may be granted for "young companies". With respect to a secondary listing, the company must fulfill the requirements of the primary exchange.

*Management continuity*. The SIX Swiss Exchange does not require any specific period of continuity of management.

*Custody*. Shares must be deposited with SIX-SIS or another custodian recognized by the SIX Swiss Exchange.

## Listing process

[Last updated: 1 January 2024, unless otherwise noted]

The listing application, together with the necessary supporting documentation, must be submitted to SIX Exchange Regulation. The Regulatory Board will examine the documentation and make a proposal to the Issuers Committee, which takes the final decision with regard to the listing. The prospectus however needs to be approved by a licensed review body. The following is a fairly typical process and timetable for a listing on the SIX Swiss Exchange, which may be usually completed within three to six months.

[Link to Timetable](https://resourcehub.bakermckenzie.com/en/-/media/crossborder-listings-handbook/files/2020-update-8th-edition/sixlisting-process.pdf)

## Corporate governance and reporting

[Last updated: 1 January 2024, unless otherwise noted]

Reporting and information obligations for primary listed companies include, among others:

Publication of a corporate calendar covering at least the current financial year.

Provision of notices of changes in the rights attached to the listed securities.

Publication of an annual report including a compensation report.

Publication of any price-sensitive information (ad hoc publicity).

Disclosure of management transactions.

Compliance with the Directive on Information relating to Corporate Governance.

For a secondary listing by a foreign company, the reporting and information obligations include, among others:

Submission of a confirmation from the primary exchange of the current number of listed securities.

Publication of any price-sensitive information in accordance with the regulations of the primary exchange.

Availability of all information published under the primary exchange's regulations to Swiss investors.

## Fees

[Last updated: 1 January 2024, unless otherwise noted]

A company seeking to list must pay both initial listing fees and annual fees. A basic charge of CHF3,000 (approx. US$3,488) is levied for the processing of a listing application. In addition, a variable charge of CHF10 (approx. US$11.63) per CHF1 million (approx. US$1.16 million) of capitalization is levied, not to exceed CHF80,000 (approx. US$93,000) for new issuers. If the issuer of the securities to be listed has not had any securities listed with SIX Swiss Exchange, a non-recurring charge of CHF10,000 (approx. US$11,625) incurs. The examination of the listing prospectus entails fees of CHF5,000 (approx. US$5,813). An annual basic charge of CHF8,000 (approx. US$9,300) is levied for each category of listed securities. Additionally, an annual variable charge of CHF10 (approx. US$11.63) per CHF1 million (approx. US$1.16 million) of capitalization is levied, not to exceed CHF80,000 (approx. US$93,000).

# Overview of exchange

## Overview of exchange

[Last updated: 1 January 2024, unless otherwise noted]

The SIX Swiss Exchange is the largest Swiss stock exchange. It maintains an electronic trading system with a fully integrated settlement and clearing system (SIX SIS). The vast majority of Swiss issuers are listed on the SIX Swiss Exchange. Through its electronic trading system, the SIX Swiss Exchange is open to foreign investors and market participants. The listing process of the SIX Swiss Exchange is efficient and uncomplicated. No additional approval from the regulator (Swiss Financial Market Supervisory Authority FINMA) is required, just from SIX Exchange Regulation, which acts as licensed regulatory authority for approval of prospectuses. Compared to other stock exchanges, the SIX Swiss Exchange is recognized for its issuer-oriented approach.

The SIX Swiss Exchange has the following regulatory standards for equity securities, which vary in their listing admission and maintenance criteria:

*International Reporting Standard.* This standard is used for listing equity securities of companies that are seeking access to international capital markets, as the provisions governing the accounting principles are designed to satisfy the expectations of global investors.

*Swiss Reporting Standard.* This standard, which is suitable for companies that wish to address a local shareholder base, allows the application of domestic accounting standards (Swiss GAAP FER).

*Standard for Investment Companies.* This standard caters to companies whose main purpose is investing in other companies to earn dividend/interest income and to obtain capital gains. Investment companies do not perform a commercial activity in the literal sense.

*Standard for Real Estate Companies.* A company qualifies as a real estate company (and is thus listed according to this standard) if it continually draws at least two thirds of its revenues from real estate-related activities.

*Standard Sparks*. The Sparks standard was designed to accommodate the needs and specialities of small and medium enterprises (SMEs) with a market capitalization of less than CHF500 million (approximately US$581.25 million). The listing requirements for the Sparks segment are alleviated in terms of capital, free float and track record. However, there are no alleviations or simplifications of the rules governing the prospectus, supervision and reporting.

*Standard for SPACs.* A SPAC (special purpose acquisition company) can be listed without a track record, but has to meet additional corporate governance and transparency requirements. Only Swiss companies are admitted to the standard for SPACs.

*Standard for Depository Receipts.* This standard serves as a means of listing global depository receipts (GDRs).

*Standard for Collective Investment Schemes (Exchange Traded Funds or ETFs).* This standard is for listing domestic or foreign collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes, which are subject to the supervision of the Swiss Financial Market Supervisory Authority (FINMA) or which require an approval from FINMA for distribution in or from Switzerland.

The following information relates to the International Reporting Standard and the Swiss Reporting Standard of the SIX Swiss Exchange, unless indicated otherwise.

The SIX Swiss Exchange draws a distinction between primary and secondary listings of foreign companies:

If a foreign company is not yet listed on an exchange recognized by the exchange’s Regulatory Board, its only option is a primary listing.

If a foreign company is already listed on an exchange recognized by the Regulatory Board as having equivalent listing provisions, it may choose between a primary and a secondary listing.

As a general rule, certain concessions apply to secondary listings compared to primary listings, because, to a significant extent, the listing rules and regulations of the primary exchange are applicable instead of the SIX Swiss Exchange’s own standards or the Swiss rules. For example, this is the case with respect to the recognition of the prospectus prepared for listing on the primary exchange, which may be recognized automatically or in a corresponding process in Switzerland, or the application of the ad hoc publicity rules of the primary exchange. SIX Exchange Regulation will issue a list of jurisdictions that are recognized as equivalent with the effect that the prospectuses approved under such jurisdictions are regarded as equivalent.

The SIX Swiss Exchange is one of the major European exchanges, with a free float market capitalization of CHF1.6 trillion (as at January 2023; approximately US$1.86 trillion).

All types of companies of various sizes and sectors are listed on the SIX Swiss Exchange. The SIX Swiss Exchange does not specialize in, or encourage listings by, particular types of companies. However, as mentioned above, it does apply specific admission and maintenance criteria for the listing of real estate companies, investment companies, SPACs, SMEs and collective investment schemes (see section 6 below for more information). Furthermore, the SIX Swiss Exchange is well known for its biotech and life sciences market.

As of January 2024, there were 259 companies listed on the SIX Swiss Exchange. Of these, 217 were domestic issuers and 42 were foreign issuers.

The relevant regulatory bodies for a listing on the SIX Swiss Exchange are SIX Exchange Regulation as the licensed Swiss review body (or any other Swiss review body licensed to approve prospectuses) and the Regulatory Board, which resolves upon the approval of the listing application. No additional approval from the Swiss Financial Market Supervisory Authority FINMA is required.

# Principal listing and maintenance requirements and procedures

## Principal listing and maintenance requirements and procedures

[Last updated: 1 January 2024, unless otherwise noted]

*Share capital*

In case of a primary listing at any of the standards (except the standard for collective investment schemes and Sparks), a company must have an equity of at least CHF25 million (approximately US$29.06 million). This equity is calculated on a consolidated basis in accordance with the company’s accounting standards. This requirement does not have to be fulfilled during the entire term of the listing in order to maintain the listing; in other words, it is possible to reduce the capital as a means of profit distribution or as a result of losses incurred once a company is listed. In case of a secondary listing, the share capital of the company must comply with the requirements of the primary exchange.

*Financial track record*

For a primary listing in the International Reporting Standard or the Swiss Reporting Standard, a company must exist and be able to show a financial track record of at least three years (with audited annual accounts prepared in accordance with the applicable accounting standard). The track record requirement does not mean that newly spun-off, newly combined or newly incorporated entities for listing purposes could not be listed. As long as their underlying business has been in existence for more than three years, an exemption is granted. Such entities then have to comply with particular requirements as to their financial statements. An exception may also be granted for a “young company” with a track record of less than three years; however, in such case, the company must comply with stricter transparency requirements, such as quarterly reporting, until it has published three consecutive audited annual reports. With regard to a secondary listing, the requirements of the company’s primary exchange apply.

*Jurisdictions, industries and ownership*

As a general rule, there are no jurisdictions of incorporation or industries that would not be acceptable for a listed company. An exception from this rule are SPACs, which must be Swiss corporations.

There are no specific ownership requirements applicable to the listing of a foreign company’s securities. Nevertheless, the jurisdiction is relevant when it comes to the question of whether the shares of the entity to be listed can be properly traded on the SIX Swiss Exchange.

*Corporate governance*

A foreign company whose equity securities are listed on the SIX Swiss Exchange and not in its home country must apply the Directive on Information relating to Corporate Governance (commonly known as the DCG; see section 5) in order to maintain its listing on the SIX Swiss Exchange. The purpose of the DCG is to make certain information on an issuer’s corporate governance structure and processes available to investors. The main principle of the DCG is "comply or explain": if the issuer opts to withhold certain information from the corporate governance report, the reasons for doing so must be specified and substantiated in the annual report.

Furthermore, a foreign issuer whose equity securities are listed on the SIX Swiss Exchange only and not in its home country must observe the provisions relating to ad hoc publicity as well as relating to management transactions (see section 5 below).

The Swiss rules on compensation of the members of the board of directors and of the management ("say on pay") only apply to listed companies incorporated in Switzerland. The rules require the shareholders meeting to set the basic rules and to determine prospectively or retrospectively the salary and bonus, including any option or share program, for the board and the management. If the decisions are taken prospectively, a maximum is normally determined. The rules also require disclosure of the compensation in an audited compensation report.

*Dealings with the exchange*

In order to list securities on the SIX Swiss Exchange, a listing application must be submitted in writing by an authorized representative (acting on behalf of the applicant) to SIX Exchange Regulation. A mere (first) listing without an offering requires that the listing application be filed by a bank. A list of authorized representatives is available at: <https://www.ser-ag.com/en/resources/recognized-representatives.html#/banks>. There is no interview requirement with SIX Exchange Regulation in order to be admitted to listing. However, in practice, a potential issuer usually presents itself to the SIX Swiss Exchange and SIX Exchange Regulation prior to submitting the application.

*Minimum shareholding and trading price*

There is no requirement for companies or particularly foreign companies to have and/or maintain a minimum number of shareholders, except in the Sparks standard (see below). Securities may, however, be delisted if the Regulatory Board deems that there is no longer a sufficiently liquid market in the securities. There is no requirement for listed foreign companies or any listed company to have and/or maintain a minimum trading price for their securities.

*Custody of shares; transfer restrictions*

Shares must be deposited with SIX SIS (or another custodian recognized by the SIX Swiss Exchange) either in collective custody or in the form of a global certificate. Shares may also be uncertificated (uncertificated securities registered at SIX SIS). Such shares deposited or registered at SIX SIS are then issued as book-entry (intermediated) securities. The transfer of ownership and any other disposal of such book-entry shares (such as the granting of security) are governed by the Federal Act on Intermediated Securities. Therefore, certain adjustments to an issuer’s articles of incorporation are usually required.

If an exception is granted to a "young company" with less than three years of financial results (see above), the applicant must prove that the company, its major existing shareholders and its governing bodies have entered into lock-up agreements in relation to the shares they hold at the time of the listing.

*Public float*

The company to be listed must have an adequate free float. For a primary listing, the free float is considered adequate if:

At least 20% of the company’s outstanding securities of the same category are in public ownership.

The securities in public ownership have an aggregate market capitalization of at least CHF25 million (approximately US$29.06 million).

For a secondary listing, the free float is deemed to be adequate if:

The capitalization of the shares circulating in Switzerland is at least CHF10 million (approximately US$11.63 million); or

The company can otherwise demonstrate that there is a genuine market for the equity securities.

These requirements apply at the time of the listing. Once listed, however, securities may be delisted if (among other reasons) the Regulatory Board deems that there is no longer a sufficiently liquid market in the securities. Alleviations of these requirements apply to SMEs in the Sparks standard (see below).

*Currency; clearance and settlement*

There are no restrictions on the currency denomination of securities. The issuer must ensure that the securities can be cleared and settled via the settlement systems that are permitted by the SIX Swiss Exchange.

*Compliance officer; contact person*

There is no need that an issuer appoints a compliance officer who is registered with the SIX Swiss Exchange to maintain its listing. However, the issuer will need to provide a contact person to the SIX Swiss Exchange.

*Primary listing of foreign companies*

The listing and maintenance requirements applicable to a foreign company with regard to a primary listing are:

The company’s charter, articles of association or deed of partnership must comply with the national law to which the company is subject.

A foreign company must demonstrate that it has not been refused a listing in its home country for investor protection reasons – that normally is done by a confirmation provided by a law firm.

The company must (have) produce(d) annual financial statements according to International Financial Reporting Standards (IFRS), US generally accepted accounting standards (US GAAP) or other internationally recognized accounting standards, both as a listing and maintenance requirement.

With respect to the specific securities to be listed:

The securities must have been issued in accordance with the law to which the company is subject and must satisfy the provisions that apply to those securities.

The listing must comprise all of the issued securities in the same category.

The proper trading of the securities must be ensured, and there must be rules establishing legal ownership.

The denominations forming the total value of a security must enable an exchange transaction in the amount of one round lot.

The company must ensure the provision of corporate actions in Switzerland by appointing a paying and settlement agent.

The company must publish a prospectus approved or recognized by a licensed review body, such as SIX Exchange Regulation, and an official notice.

In order to maintain its listing, the company must:

Publish annual and interim reports.

Comply with the rules on ad hoc publicity (disclosure of price-sensitive information).

Comply with corporate governance rules.

Disclose management transactions.

The requirements for a foreign company’s primary listing do not substantially vary from what would be expected from a domestic company, except for the provision which requires the foreign company to demonstrate that it has not been refused a listing of its shares in its home country for investor protection reasons.

*Secondary listing*

With respect to a secondary listing, the company must in general fulfill the requirements of the primary exchange, if such exchange is recognized by the Regulatory Board, and the special requirements described above. A prospectus is not required if the equity securities are traded at a foreign trading venue which is recognized by SIX Swiss Exchange. There is sufficient distribution if the capitalization of the equity securities traded in Switzerland amount to at least CHF10 million (US$11.63 million) or proper trading is secured in another way.

*Listing of SPACs*

As of 6 December 2021, SPACs can be listed and traded on the SIX Swiss Exchange. The issuer of a SPAC in Switzerland has to be a stock corporation under Swiss law. Therefore, foreign SPACs cannot be listed on the SIX Swiss Exchange. In addition to the Swiss jurisdiction of incorporation, a SPAC listed on the SIX Swiss Exchange must comply with various structural and corporate governance requirements.

*Listing of SMEs with alleviated requirements in the Sparks segment*

SIX Swiss Exchange introduced and promoted the new Sparks segment as an "SME stock exchange". Sparks is a regulatory standard with certain alleviations in favor of younger growth companies. The standard is open for companies with a market capitalization of less than CHF500 million (approximately US$581.25 million), but a shareholder base consisting of more than 50 investors.

The alleviations of the listing requirements are notably the following:

Only a track record of two years is required (instead of three years).

An equity capital of CHF12 million (approximately US$13.95 million) with an initial public offering (IPO) capital increase of at least CHF 8 million (approximately US$9.30 million) is sufficient (alternatively, the usual minimum requirement of CHF25 million (approximately US$29.06 million) can be met without an additional capital increase requirement).

The required free float is only 15% (instead of 20%).

The market capitalization of freely tradeable share only needs to amount to CHF15 million (approximately US$17.44 million) (instead of CHF25 million).

# Listing documentation and process

## Listing documentation and process

[Last updated: 1 January 2024, unless otherwise noted]

*Documentation*

For the primary listing of equity securities, the foreign company must submit to the SIX Swiss Exchange:

Listing application.

Evidence of existence of a prospectus approved or recognized by a licensed review body.

Official notice.

Declaration of approval and issuer's declaration according to Article 45 of the SIX Swiss Exchange’s listing rules.

Declaration of the lead manager regarding adequate free float of the securities.

Extract from the commercial register of the company (or equivalent).

Articles of incorporation of the company (or equivalent).

Declaration that the printing regulations of SIX SIS Ltd. have been maintained (if applicable) or provision of a photocopy of the global certificate (or sufficient evidence as to the creation of book entry securities and an explanation by the issuer on how a shareholder may obtain confirmation of its shareholding).

Evidence that the auditor is properly admitted to audit listed companies.

Only for the Spark standard: Declaration of the lead manager that the market capitalization upon listing will be less than CHF500 million (approximately US$581.25 million).

For a secondary listing, the foreign company must provide to the SIX Swiss Exchange:

Listing application.

Evidence of existence of a prospectus approved or recognized by a licensed review body or, if an exception applies, the reason why that is the case.

Official notice.

Declaration of approval and issuer's declaration according to Article 45 of the SIX Swiss Exchange’s listing rules.

Declaration regarding adequate free float.

Declaration of the primary exchange that the securities are listed.

Extract from the commercial register of the company.

Articles of incorporation of the issuer.

These documents must be submitted by an authorized representative to SIX Exchange Regulation. The Regulatory Board will then examine the listing application on the basis of the documents provided.

*Prospectus*

The prospectus and the official notice, which must be published no later than the day of listing (or start of bookbuilding, if applicable) prior to the start of trading, serve as the primary sources of information for investors. The prospectus is to be prepared in a way such that investors are properly informed about the securities to be listed. In that instance, the prospectus also mitigates potential prospectus liability claims. The prospectus contains a description of the issuer, the proposed public offering (if any) and any related risks. In Swiss IPO practice, the prospectus often contains only an offer price range and an indicative size instead of a final offer price and size. Prospectuses substantially comply with today's international disclosure standards. This document is the basis for the bookbuilding, the road show and the investors’ investment decisions. After completion of the bookbuilding, the final offer price and size are determined and the issuer publishes a prospectus supplement that forms, together with the prospectus published at the start of bookbuilding, the final prospectus.

The prospectus must contain sufficient information for competent investors to come to an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the company as well as of the rights attached to the securities. In addition, the prospectus must highlight the specific risks related to an investment in the shares.

More specifically, the prospectus must include disclosure relating to:

Information about the company, including:

General information.

Information on administrative, management and audit bodies (corporate governance).

Information about the company’s business activities and investments.

Information on the company’s capital and voting rights.

Information about the company’s disclosure policy.

Annual and interim financial statements.

Information about dividends and financial results.

Information on the securities to be issued, including:

Resolutions relating to the issuance of shares.

Nature of the issue.

Number, type and par value of the securities.

Certain disclosures in case of new securities from capital transactions.

Rights attached to the securities.

Restrictions on tradability and transferability.

Information on the international issue and simultaneous private placements and public offerings (if applicable).

Paying agent.

Net proceeds from the issuance.

Public purchase or exchange offers for the securities.

Form of the securities.

Information about the publication of information on the securities.

Historic performance (if applicable).

Security number and ISIN.

Information on the authorized representative.

Summary of the above (material information concerning the issuer and the securities).

Risk factors.

Information on the persons and/or company responsible for the prospectus (responsibility statement).

There are several prospectus schemes in the annexes to the Financial Services Ordinance, which set out the minimum content of the prospectus and the information required in more detail. Those content rules are of a rather general nature compared to those applicable in the US. Nevertheless, given the general requirement that all needs to be included which is material for the investor to assess the securities, the broad content rules do not lead to a lower standard.

The company must assume responsibility for the prospectus.

For a secondary listing, normally exceptions apply if the securities are traded at a trading venue that is recognized.

*Financial statements*

At the time of the initial listing, the foreign company is expected to provide audited annual reports of its last two full financial years, together with comparative figures for the previous year. Thus, overall, the issuer must present a financial track record of three years (two years for Sparks). In addition, the issuer might be required to prepare interim financial statements, which need not be audited. For a primary listing, the foreign company must provide financial statements in conformity with IFRS or US GAAP. For a secondary listing, the foreign issuer is expected to provide financial statements in accordance with the standards of the primary exchange.

Typical process and timetable for a listing of a company on the SIX Swiss Exchange

The listing application, together with the necessary supporting documentation, must be submitted to SIX Exchange Regulation at least 20 trading days before the envisaged first day of trading, or before start of the book building period (if applicable). At the same time, the filing is to be made with the review body for reviewing the prospectus. An issuer may consider filing earlier with the licensed review body to make sure no delays occur given the more formal procedures applicable.

The following is a fairly typical process and timetable for listing a company on the SIX Swiss Exchange.

[Link to Timetable](https://resourcehub.bakermckenzie.com/en/-/media/crossborder-listings-handbook/files/2024-update-10th-edition/2024-six-swiss-exchange---listing-documentation-and-process.pdf?sc_lang=en)

The whole authorization process takes approximately five weeks. This does not include the time required to prepare the documentation, in particular the prospectus (and the related due diligence review), which takes another two to three months. Depending on the complexities of an issuer’s operations, a listing or an IPO (where the issuer raises new money from investors) can be completed within four to six months.

There are no situations in which a "fast track" or expedited listing can be requested.

Unless described otherwise above, the documentation and process requirements in this section do not substantially vary from what would be expected of a domestic company.

# Continuing obligations/periodic reporting

## Continuing obligations/periodic reporting

[Last updated: 1 January 2024, unless otherwise noted]

*General periodic reporting and information obligations*

Once listed, companies are required to report certain technical and administrative facts and events. The respective reports must be submitted to SIX Exchange Regulation (Listing and Enforcement).

Upon listing and periodically at the beginning of each financial year, every listed company is obliged to publish a corporate calendar covering at least the current financial year. The corporate calendar must give information on the key dates of the company’s financial year that are of major importance to investors, specifically the annual general meeting and the publication dates of the annual and interim financial statements. The company must send the corporate calendar and any changes thereto in electronic form to SIX Exchange Regulation, which may publish the data received.

Furthermore, the company must provide notice of any change in the rights attached to the listed securities reasonably in advance of the entry into force of the change. This requirement is designed to safeguard the investors’ ability to exercise their rights. In addition, the issuer must, by suitable means, draw the attention of investors to any planned changes in the rights attached to the securities, allowing investors to exercise their rights.

*Financial reporting*

The listed company must publish an annual report. This comprises the audited annual financial statements, prepared in accordance with the applicable financial reporting standard, as well as the corresponding audit report. The Regulatory Board may require that additional information be included in the annual report, including details on corporate governance in accordance with the DCG (see section 5 below).

The issuer of listed equity securities must publish semi-annual (interim) financial statements. The publication of quarterly financial statements is voluntary; however, where quarterly financial statements are published, they must be prepared in accordance with the same principles that apply to the semi-annual financial statements. Interim financial statements are neither subject to an audit nor to a review.

The accepted financial reporting standards for annual and interim financial statements are IFRS, US GAAP and other internationally recognized accounting standards. A company that is not incorporated in Switzerland may also apply the accounting standards of its home country, provided that these standards have been recognized by the Regulatory Board.

The annual financial statements are reviewed by SIX Exchange Regulation, which usually publishes in advance the sections of the annual report on which any reviews will focus (for example, corporate governance, impairments and amortizations). However, SIX Exchange Regulation will analyze the entire annual report.

*Ad hoc publicity*

The issuer is subject to the obligation to inform the market of any price-sensitive information that has arisen in its sphere of activity (ad hoc publicity). Price-sensitive information is capable of triggering a significant change in a company’s share price. Whether a certain event qualifies as a price-sensitive event is to be assessed on a case-by-case basis, except where it concerns annual and interim reports of issuers of equity securities which are to be published in accordance with the ad hoc rules. Examples of typically price-sensitive information include, among others:

Annual and semi-annual financial statements.

A change on the board of directors or executive committee.

A merger, takeover, spin-off or restructuring.

Significant changes in the issuer’s capital or capital structure.

Significant changes of the shareholder structure.

Takeover offers.

Profit collapses.

Profit warnings (in case the issuer itself has created market expectations), both positive and negative.

Financial restructurings.

The issuer has to inform the market as soon as it becomes aware of the main aspects of the price-sensitive information. Disclosure must be made so as to ensure the equal treatment of all market participants. If the issuer publishes a price-sensitive fact, the relevant announcement has to be explicitly flagged as an ad hoc announcement. The ad hoc announcements are to be published on the issuer's website in an easy-accessible way in chronological order, stating the publication date, for at least three years.

The company may postpone the disclosure of price-sensitive information, if such information is based on a plan or decision of the company and its dissemination might prejudice the company’s legitimate interests. This is particularly important in case of a (financial) restructuring, as any disclosure might jeopardize negotiations with creditors. The company must ensure that the price-sensitive information remains confidential for the entire term during which disclosure is postponed. In the event of a leak, the market must be informed immediately in accordance with the rules on ad hoc publicity.

In the corporate governance report, the company must include information concerning general blackout periods on a comply-or-explain basis. In this respect, the deadlines, addressees, scope and any exceptions to the general blackout period are to be disclosed. Any special blackout periods, for example in the event ad hoc disclosure is postponed, are not subject to this disclosure obligation.

*Management transactions*

A company whose equity securities are primarily listed on SIX Swiss Exchange must ensure that the members of its board of directors and its executive committee report any transactions in the company’s equity securities or related financial instruments. In particular, this obligation covers transactions in the company’s equities or similar equity instruments, such as participation certificates, as well as conversion, purchase or sale rights on the company’s shares, and any financial instruments that provide for or permit a cash settlement and other contracts for difference whose performance depends on the company’s share price. Where it concerns a SPAC, the sponsors and founding shareholders of the SPAC are also subject to the reporting requirements.

Members of the board of directors and the executive committee must report to the company all transactions that fall within the scope of these regulations within two trading days after the reportable transaction has been entered into (trade date). Upon receipt of this notification, the company must submit to SIX Exchange Regulation within three trading days a report that discloses (among other things) the name and position of the individual and the details of the transaction. This report is required in any case, regardless of the notified transaction’s value. The report will finally be published by SIX Exchange Regulation without disclosing the individual person’s name and may be accessed through its website for a period of three years.

*Enforcement*

SIX Exchange Regulation is responsible for enforcing the reporting requirements and reserves the right to impose sanctions. In recent years, SIX Exchange Regulation has placed increasing emphasis on compliance with ongoing reporting obligations.

*Foreign issuers*

In case of a primary listing, a foreign company is subject to the same reporting obligations as are domestic issuers.

In case of a secondary listing by a foreign company, the following specific rules apply:

A confirmation from the primary exchange of the current number of listed equity securities must be submitted once a year.

Information arising in the company’s area of activity that is potentially price-sensitive must be published in accordance with the regulations of the primary exchange. The issuer must further ensure that SIX Exchange Regulation and the Swiss market receive the information at the same time.

The company must specifically report to SIX Exchange Regulation any change of name, change of registered office, change to the share capital and capital structure and dividend payments/anticipated ex-dividend date on the primary exchange.

Finally, SIX Exchange Regulation conducts an annual data collection survey among issuers with a secondary listing concerning general data about the issuer and the issued securities.

*Insider dealing*

According to article 154 Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA), insider dealing is prohibited and may, in extreme cases, be punished with imprisonment of up to five years or a monetary penalty. Accordingly, insider trading can be a predicate offense for money laundering offenses. This provision applies to transactions in securities that are listed on an exchange in Switzerland. Transactions in securities of a foreign company that are listed on the SIX Swiss Exchange can therefore be subject to insider dealing regulations.

According to said provision, an insider is prohibited from exploiting the knowledge of confidential information for his own or another’s economic benefit. Information is considered to be inside information for these purposes if its disclosure will considerably influence the price of the listed securities. The information must be sufficiently precise and certain, such that the effect on future price developments can be assessed in advance. As a general rule, the inside information corresponds to the price-sensitive information for purposes of ad hoc publicity (see above).

The information also needs to be confidential. Confidentiality is assumed when information is only known to a limited group of persons.

The law distinguishes between three types of insiders:

"**Primary insiders**" are persons with access to inside information on a regular basis as part of their duties, regardless of whether the person is in a management position. Members of the executive management and of an oversight body (for example, members of the board of directors) are, for instance, considered to be primary insiders. Furthermore, it is also possible for people outside the company (for example, financial analysts or journalists) to qualify as a primary insider.

"**Secondary Insiders**" are persons who actively obtain inside information from a primary insider (also known as tippees). Persons who obtain such information by committing a felony or a misdemeanor are also considered to be secondary insiders.

"**Coincidental insiders**" are persons who obtain inside information by coincidence (for example, a member of the cleaning staff while emptying the trash or persons overhearing a conversation between primary insiders).

Whereas primary insiders are prohibited from trading, tipping off and making trading recommendations to third parties based on inside information (irrespective of whether the inside information gets disclosed), secondary insiders are only prohibited from trading, but not from tipping and making trading recommendations to third parties. While primary insiders may face imprisonment of up to five years and a pecuniary penalty, secondary insiders may face imprisonment of up to one year as well as a pecuniary penalty. Coincidental insiders, on the other hand, are only prohibited from trading, but not from tipping off and making trading recommendations and only face a fine in the event of a breach.

The FMIA also provides for an administrative regime against insider dealing set out in art. 142 FMIA which operates independently from the described criminal law regime. Art. 142 FMIA in essence prohibits the same actions as art. 154 FMIA but does not require the aim to achieve an economic benefit on the part of the offender. Furthermore, the administrative regime confers on FINMA the authority to order administrative sanctions for insider dealings against non-regulated market participants. In consideration of the broad application of the rules on insider trading, the Ordinance on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIO) provides safe harbor exceptions for various situations in which the use and/or disclosure of insider information is permitted and which, from both a criminal and regulatory perspective, lead to no sanctions. These exceptions apply to, among other things, public share buyback programs, stabilization activities after a public placement, transactions carried out in implementing one’s own investment decision and the disclosure of insider information to persons who need the inside information in order to fulfill their legal and contractual responsibilities or that receive the information with a view to entering into a contract with them. The FINMA Circular "Market Conduct Rules" provides further clarifications as to what FINMA considers to be a potential violation of insider dealing rules. It provides for very limited safe harbor rules for market participants.

*Manipulation of the stock exchange price*

The securities of a company listed on a Swiss stock exchange may further become the object of manipulation of the stock exchange price according to article 155 FMIA. This provision applies to any person who has the intention of considerably influencing the price of securities traded on a Swiss stock exchange, in order to secure for him- or herself or a third party an economic benefit, and therefore either disseminates misleading or false information in bad faith or purchases and sells such securities on behalf of and for the account of the same person or for persons acting in concert for such purposes. Such a person is subject to imprisonment of up to three years or a fine. Furthermore, should the economic benefit obtained exceed CHF1 million (approximately US$1.16 million), the offender may face imprisonment of up to five years or a pecuniary penalty, making such criminal behavior a predicate offense for money laundering.

The FMIA also contains administrative sanctions regarding the prohibition of market manipulation applicable to all market participants, irrespective of whether they are subject to FINMA’s supervision or not. Unlike the criminal provision in art. 155 FMIA which only applies to simulated transactions (for example, wash sales), the administrative market manipulation also encompasses real market transactions which manipulate the market price of a security. Another difference to the criminal provision is that art. 143 FMIA does not require the aim to achieve an economic benefit on the part of the offender. The FINMA Circular "Market Conduct Rules" provides further clarifications as to what FINMA considers to be potential market abuse. Further, the FINMA Newsletter 52 (2013) of 18 November 2013 (Trading own equity securities with the purpose of ensuring liquidity under the new provisions on market manipulation) contains rules to be followed in the event that the company or a securities trader on behalf of the company wishes to engage in market making.

Like for insider trading, the Swiss Federal Council passed corresponding safe harbor exceptions, such as for public share buyback programs, stabilization activities after a public offering, and the acquisition of securities with regard to a subsequent tender offer.

*Sparks segment*

Companies listed in the Sparks segment must generally comply with the same ongoing listing requirements. Differing from certain other jurisdictions, this SME segment is not an “unregulated” market with no or only light compliance duties. The legislative framework, including the provisions on insider trading and market manipulation as well as the provisions on public takeovers, also apply to companies listed in the Sparks standard.

If the market capitalization exceeds an average of CHF 1 billion (approximately US$1.16 billion) over the past 12 months, companies listed in the standard Sparks must transfer to the SIX main market, i.e. into the International Reporting Standard or the Swiss Reporting Standard.

# Corporate governance

## Corporate governance

[Last updated: 1 January 2024, unless otherwise noted]

In 2002, SIX Swiss Exchange (then SWX Swiss Exchange) issued the Directive on Information relating to Corporate Governance (DCG). At the same time and in coordination with the implementation of the DCG, economiesuisse – the main federation of Swiss businesses – published the Swiss Code of Best Practice for Corporate Governance (the Swiss Code) that entails non-binding recommendations and guidelines for companies. The most recent version of the Swiss Code was published in 2023. The most recently revised version of the DCG entered into force on 1 January 2023.

The DCG requires an issuer to disclose important information about its board of directors and executive management (or to give substantial reasons why this information is not disclosed) in order to maintain its listing on the SIX Swiss Exchange. The DCG itself establishes the basic principles, including the principle of “comply or explain”. Details on what information is to be disclosed are indicated in the annex to the DCG.

The DCG applies to all issuers whose equity securities have their primary or main listing on the SIX Swiss Exchange, including foreign companies. It does, however, not apply to foreign companies with a secondary listing on the SIX Swiss Exchange.

The publication of information relating to corporate governance should be limited to what is essential to investors, and should be provided in an appropriate and comprehensible form. Information relating to corporate governance is to be published in a separate section of the annual report. This section may refer to other parts of the annual report or other easily accessible sources of information (such as the company’s website). For all information prescribed in the annex, the principle of “comply or explain” applies: if the issuer opts not to disclose certain information, then the annual report must include a specific reference to this effect, and contain an individual, substantiated justification for each such nondisclosure.

The topic of corporate governance has risen in importance. In early 2013, Switzerland adopted remuneration rules for listed companies (art. 95 para. 3 of the Swiss Constitution). Subsequently, these "Say on Pay Rules" were introduced in the revised Code of Obligations (nOR). Against this background, the DCG was amended and its annex now contains a number of additional items to be disclosed by issuers subject to the Say on Pay Rules as per the nOR.

The Say on Pay Rules apply to all companies incorporated in Switzerland which are listed on a stock exchange, irrespective of whether it is a domestic or a foreign stock exchange. Foreign companies listed in Switzerland are not subject to the Say on Pay Rules and are therefore exempt from the additional disclosure provisions of the DCG. It should be noted, however, that certain Say on Pay Rules provisions with respect to disclosure of the remuneration for members of the board of directors and executive committee are incorporated by reference into the DCG and are thus also binding on foreign issuers.

The DCG requires the company to disclose information on several topics, which can be summarized as follows. For issuers subject to the Say on Pay Rules (that is, listed companies incorporated in Switzerland) additional disclosure obligations apply, which are not specified in the following chart.

[Link to Chart](https://resourcehub.bakermckenzie.com/en/-/media/crossborder-listings-handbook/files/2024-update-10th-edition/six-corporate-governance.pdf?sc_lang=en)

As outlined above (see section 4), the SIX Swiss Exchange enforces compliance with the DCG. For example, the information relating to the compensation of a company’s executive bodies and its determination must be specific and describe the methods and standards that the company applies in detail.

# Specific situations

## Specific situations

[Last updated: 1 January 2024, unless otherwise noted]

*Large multinational companies*

There are no additional requirements or any changes in the normal requirements that exclusively apply to large multinational companies.

*Young companies*

As mentioned in section 2 above, the Regulatory Board may grant exceptions to “young companies”, which do not have a financial track record of at least three years. To protect investors’ interests, these issuers are subject to stricter transparency provisions (for example, quarterly reporting). In addition, the SIX Swiss Exchange introduced the Sparks segment, which is a proper regulatory standard with alleviated listing requirements aimed at younger growth companies and other SMEs.

*Listing according to the Swiss Reporting Standard*

Instead of the International Reporting Standard, equity securities can be listed according to the Swiss Reporting Standard. The Swiss Reporting Standard serves as a means for listing equity securities of companies that wish to use the domestic accounting standards, Swiss GAAP FER. For the rest, the rules are identical as those of the international reporting standard.

*Listing according to the Standard for Investment Companies*

Equity securities issued by investment companies are listed according to their own regulatory standard. Investment companies are stock companies whose main purpose is investment in other entities, thus earning dividend and/or interest income as well as obtaining capital gains. They do not perform a commercial activity in the literal sense.

These companies can be compared with investment funds as regards their investment strategy, but they are organized under corporate law. Generally speaking, compared to the International Reporting Standard, they do not need to show a specific financial track record. An investment company that is incorporated outside Switzerland and that, under Swiss legislation on collective investment schemes, is not subject to authorization in Switzerland, must prove that investors are able to exercise their participation and property rights to the same extent as would be possible under Swiss corporate law.

*Listing according to the Standard for Real Estate Companies*

Real estate companies are governed by their own regulatory standard. A company qualifies as a real estate company if it continually draws at least two thirds of its revenue from real estate-related activities (specifically, from rental income, from income from revaluations or sales and from real estate services). A real estate company does not need to show a specific financial track record, and it may apply the domestic accounting standard, Swiss GAAP FER. It may however not apply US GAAP.

*Listing according to the Standard for SPACs*

The listing of SPACs is possible under the condition that the SPAC is a Swiss stock corporation. SPACs are governed by a proper regulatory standard of the SIX Swiss Exchange, which includes certain special corporate governance and transparency requirements. Upon the completion of its De-SPAC transaction (initial business combination), the SPAC will have to be newly listed under one of the regulatory standards for equity securities (segment change).

*Listing according to the Standard for Collective Investment Schemes*

Units (or shares) of domestic or foreign collective investment schemes that, pursuant to the Swiss Federal Act on Collective Investment Schemes, are subject to the supervision by FINMA, as well as exchange-traded funds, are listed according to the Standard for Collective Investment Schemes. Specifically, minimum assets under management must be at least CHF100 million (approximately US$116.25 million). The scheme or fund does not need to have a specific financial track record, and certain special legal provisions with regard to accounting apply. The DCG is not applicable.

*Listing according to the Standard for Depository Receipts*

The Standard for Global Depository Receipts (GDRs) serves as a means for listing global depository receipts. GDRs are tradable certificates that are issued in lieu of deposited equity securities (underlying securities) and allow for the (indirect) exercise of the membership and proprietary rights attached to the deposited equity securities. Under this standard:

Management transactions need not be disclosed;

The DCG is not applicable; and

It is not necessary to publish interim financial statements.

In June 2022, the China-Switzerland Stock Connect Program was launched, which provides Chinese companies with a streamlined pathway to access the Swiss capital markets through the issuance of GDRs and their listing on SIX Swiss Exchange. During the first semester of 2023, a new set of rules of the Chinese Securities Regulatory Commission (CSRC) came into effect, which introduced a series of changes to the requirements for Chinese issuers. The practical implementation of these regulatory changes of the CSRC are expected to be subject to further guidance from the CSRC as well as the Shanghai and Shenzhen stock exchanges, in particular, and the definitive consequences of these updated rules are still being determined.

*Listing of tokenized securities*

Securities listed on the SIX Swiss Exchange must be dematerialized or registered at SIX SIS (see section 2 above). SIX SIS is a conventional central securities depositary institution and does not allow for the administration of tokenized securities. However, tokenized securities may be listed on SIX Digital Exchange (SDX), which is operated by SDX Trading Ltd and governed by SIX Exchange Regulation Ltd. Central custody of tokenized securities is possible through SIX Digital Exchange Ltd. While SDX is affiliated with the SIX Swiss Exchange, it is a stock exchange with an own license and independent trading and settlement systems. The regulatory standards and listing requirements are generally the same as for SIX Swiss Exchange, although there is no Sparks segment or standard for collective investment schemes. However, as of today, SDX only allows for the primary listing of equity securities issued by Swiss companies. Therefore, a cross-border listing or a secondary listing at SDX is currently excluded. However, an SDX initiative to revise the listing rules to allow for the listing of debt instruments under foreign laws was recently approved by the supervisory authority, FINMA. It is conceivable that the SDX rules will be amended to cater for the cross-border listing of equity securities at a later stage.

# Presence in the jurisdiction

## Presence in the jurisdiction

[Last updated: 1 January 2024, unless otherwise noted]

The SIX Swiss Exchange does not impose any requirements as to presence in Switzerland for listed foreign companies, except for the authorized representative who must submit the listing application. In the recent past, some foreign issuers have opted for moving their corporate domicile to Switzerland and having the newly incorporated entity listed on the SIX Swiss Exchange. This triggers minimum requirements as to substance and operations in Switzerland. Furthermore, each issuer will make its own tax considerations, which may have a decisive influence on the extent to which a Swiss presence is established.

Except for the corporate records (that is, the articles of association and the extract from the commercial register) to be submitted to the SIX Exchange Regulation with the application and the other attachments thereto, the company does not need to keep any corporate records in Switzerland.

# Fees

## Fees

[Last updated: 1 January 2024, unless otherwise noted]

*Initial listing fees*

A basic charge of CHF3,000 (approximately US$3,488) is levied for the processing of a listing application. For the listing of new equity securities, a variable charge of CHF10 (approximately US$11.63) per CHF1 million (approximately US$1.16 million) of capitalization is levied, not to exceed CHF80,000 (approximately US$93,000) for new issuers (CHF50,000, or approximately US$58,125, in the case of a capital increase of an issuer).

If the issuer of the securities to be listed has not previously had any securities listed with SIX Swiss Exchange Ltd, an additional non-recurring charge of CHF10,000 (approximately US$11,625) is levied. For the examination of the prospectus, an additional charge of CHF5,000 (approximately US$5,813) is levied by the review body.

Also, if additional categories of securities shall be listed, an additional fee of CHF2,000 (approximately US$2,325) for each additional category is charged.

For the secondary listing on the SIX Swiss Exchange of securities of foreign issuers that are already listed on a regulated market with equivalent listing regulations in the given issuer’s country of domicile or in some third country (home country exchange), a one-time, flat fee of CHF5,000 (approximately US$5,813) is levied. No further charges are levied in this regard.

*Annual fees*

For maintaining a listing, an annual basic charge of CHF8,000 (approximately US$9,300) is levied for each listed security. In addition, an annual variable charge of CHF10 (approximately US$11.63) per CHF1 million (approximately US$1.16 million) of capitalization is levied, not to exceed CHF80,000 (approximately US$93,000). No charge is levied with regard to maintaining a secondary listing.

# Additional Information

## Additional Information

[Last updated: 1 January 2024, unless otherwise noted]

The information and materials submitted to the SIX Exchange Regulation may be in the German, French, Italian or English language.

*Key differences in requirements for domestic companies*

Listing requirements for domestic companies are essentially the same as those for foreign companies.

# Contacts

## Contacts within Baker McKenzie

Matthias Courvoisier, Yves Mauchle and Jan Lusti in the Zurich office are the most appropriate contacts within Baker McKenzie for inquiries about prospective listings on the SIX Swiss Exchange.

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