

# Self-regulatory Bodies

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**SIX Exchange Regulation AG**

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## Legal bases – Art. 1 FinMIA



The Financial Market Infrastructure Act (FinMIA) governs the **organisation and operation** of financial market infrastructures and the **rules of conduct** for financial market participants in securities and derivatives trading.



The aim is to ensure the **proper functioning** and **transparency** of the securities and derivatives markets, the **stability** of the financial system, **the protection of financial market participants** and the **equal treatment** of investors.

## Legal bases – Art. 27 FinMIA



The trading venues ensure their own regulatory and supervisory organisation appropriate to their activities, **subject to the supervision of the Swiss Financial Market Supervisory Authority (FINMA).**



The regulatory and supervisory tasks transferred to the trading venues have to be carried out by **independent** bodies. The key figures of these bodies must:

- provide a **guarantee** of irreproachable business conduct;
- enjoy a good **reputation**; and
- have the **specialist qualifications** required for their functions.

The election of **persons** pursuant to paragraph 2 requires the **approval of FINMA.**



The trading venues submit their **regulations and their amendments** to **FINMA for approval.**

## Legal bases – Art. 24 FinMIO

<sup>1</sup> An **appropriate regulatory and supervisory organisation includes, in particular**, the following bodies:

- a. a body responsible for **regulatory tasks**
- b. a body responsible for **supervisory tasks**
- c. a body responsible for the **admission of securities to trading**
- d. an **Appeals Board**

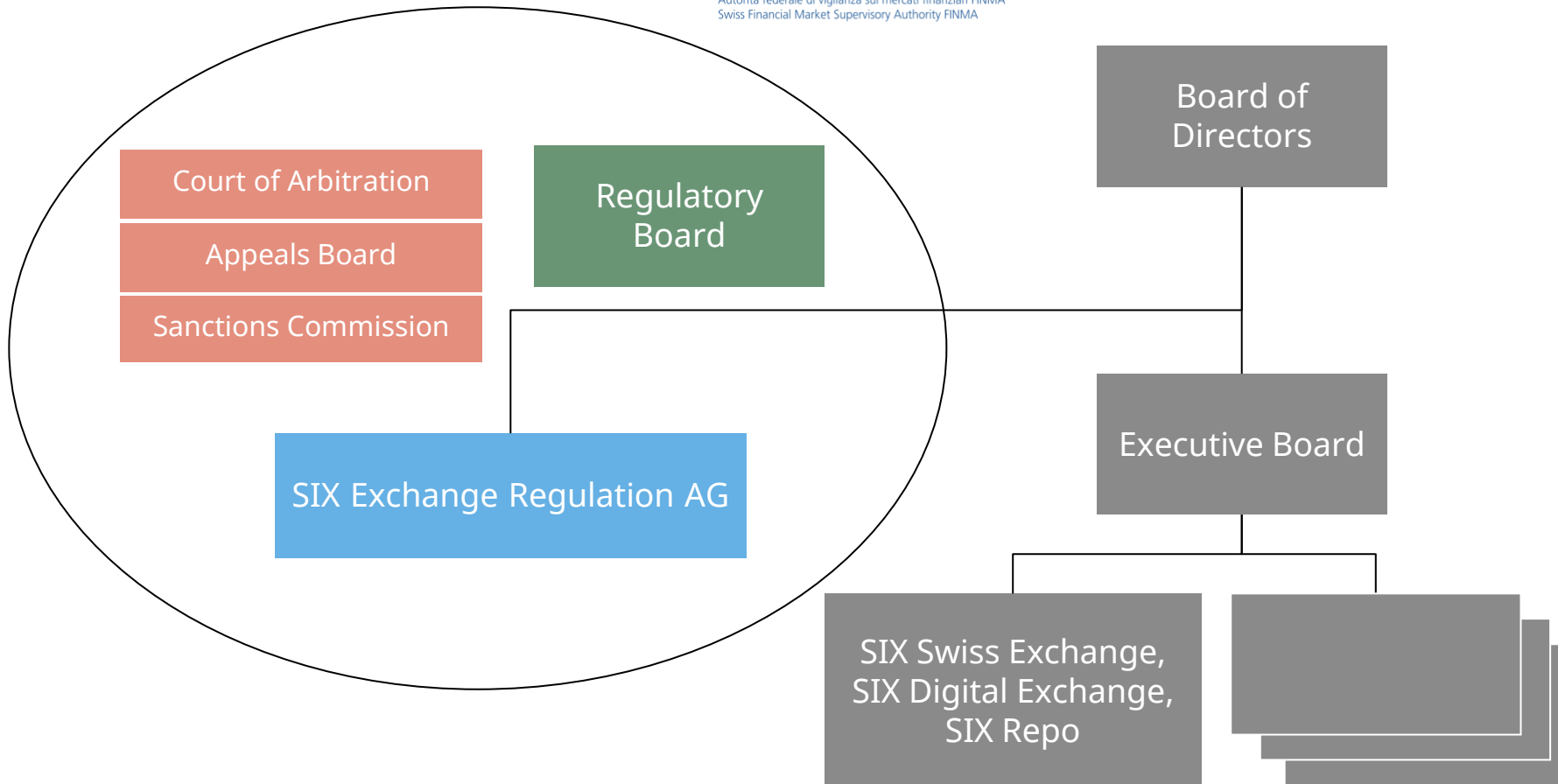
<sup>2</sup> The body responsible for the **regulatory tasks** of a trading venue must be **independent** of the executive management of the trading venue and of the majority of the participants and issuers **in terms of personnel and organisation**. It must be **adequately equipped** in terms of organisation, personnel and financial resources.

<sup>2bis</sup> The body responsible for the **supervisory tasks** of a trading venue must be **independent** of the executive management of the trading venue and of the participants and issuers **in terms of personnel and organisation**. It must be **adequately equipped** in terms of organisation, personnel and financial resources.

<sup>3</sup> **Issuers and investors** must be **appropriately represented** on the body responsible for the **admission of securities to trading**.

<sup>4</sup> Trading venues define the **duties and powers** of the bodies and the representation of issuers and investors on the body responsible for the admission of securities to trading in their **regulations**.

# Organisation and governance within SIX Group



\* Supervision and approval of regulations

# Regulatory Bodies

- The **Regulatory Bodies** ensure the regulation and supervision of SIX Swiss Exchange, SIX Digital Exchange and SIX Repo.
- They are responsible for
  - **issuing** rules;
  - **monitoring** compliance with the rules; and
  - **enforcing** rules vis-à-vis issuers and participants.
- Self-regulation is ensured by the following bodies:
  - **Regulatory Board**
  - **SIX Exchange Regulation**
  - **Judiciary Bodies** (Appeals Board, Sanctions Commission, Court of Arbitration)
- This is based on the “**SIX Group AG Rules of Organisation for the Regulatory Bodies of the Group’s trading venues**” dated 7 July 2023.

# Regulatory Board

- The Regulatory Board (RB) is the **legislative body** within the framework of the statutory self-regulation obligations. It determines laws that apply to issuers, participants and traders. The issue of rules and regulations and any amendments to them by the RB **must be approved by FINMA**.
- The RB consists of a maximum of **17 members**. Members are elected by the Board of Directors of SIX Group and are appointed for a term of office of **three years**. Members may be re-elected. economiesuisse nominates three candidates as members. **FINMA is consulted** before the appointment of members of the Regulatory Board.
- The RB forms **two committees**:
  - The **Issuers Committee** – including the admission of securities to trading
  - The **Participants & Surveillance Committee**

# Members of the Regulatory Board

## Chairman

**Daniel Morales** <sup>1</sup>  
General Counsel Group Functions  
UBS AG, Zurich

## Vice-Chairman

**Dr. Stephanino Isele** <sup>2</sup>  
Deputy CEO |  
Head of Institutionals & Multinationals  
Zürcher Kantonalbank, Zurich

## Members

**Michael Bänziger** <sup>2</sup>  
Chief Investment Officer  
Generali Switzerland, Adliswil

**Dr. Stefan Beiner** <sup>1</sup>  
Chief Investment Officer  
PUBLICA, Bern

**Dr. Stephan Bergamin** <sup>2</sup>  
Be Forward,  
Founder and Managing Partner  
Board Mandates & Advisory

**David Frick** <sup>1</sup>  
Secretary to the Board of Directors  
Nestlé S.A., Vevey

**Marcel Hostettler** <sup>2</sup>  
Attorney-at-Law, Managing Partner  
Allegra Law, Zurich

**Daniel Keist** <sup>1</sup>  
retired

**Prof. Dr. Andrea Opel** <sup>1</sup>  
Professor, University of Lucerne, Lucerne  
Consultant, JP Steuer AG and  
Prof. Dr. Marc Hürzeler GmbH,  
Zurich, Basel and Küttigen

**Markus Pfister** <sup>2</sup>  
Member of the Executive Committee, Chief  
Operating Officer  
Bank Vontobel AG, Zurich

**Dr. Katja Roth Pellanda** <sup>1</sup>  
Group General Counsel  
Zurich Insurance Ltd., Zurich

**Prof. Dr. Rolf Sethe** <sup>1</sup>  
Professor, University of Zurich, Zurich  
Of Counsel, Niederer Kraft Frey AG, Zurich

**Jakob F. Stänz** <sup>2</sup>  
retired

**Dr. Mirjam Staub-Bisang** <sup>1</sup>  
Senior Advisor  
BlackRock Asset Management (Switzerland) AG, Zurich

**Daniel Weiss** <sup>1</sup>  
Head Group Treasury  
Novartis AG, Basel

**Dr. Thomas Wellauer** <sup>2</sup>  
Chairman of the Board of Directors  
SIX Group AG, Zurich

**Adrian Wipf** <sup>1</sup>  
Process Engineering & Market Research | Asset  
Management  
BVK pension fund of the Canton of Zurich, Zurich

<sup>1</sup> **Issuers Committee**

<sup>2</sup> **Participants & Surveillance Committee**



# Judiciary Bodies

- The **Judiciary Bodies** of SIX Group are responsible for **enforcing** decrees and decisions of the Regulatory Bodies.
- The **Sanctions Commission** imposes sanctions in accordance with the proceedings set out in the Rules of Procedure. One or more of the following **sanctions** may be imposed on issuers and participants/traders. Where appropriate, these sanctions may be imposed cumulatively: reprimand, fine of up to CHF 1 million (in cases of negligence) or CHF 10 million (in cases of wrongful intent), suspension of trading, delisting or reallocation to a different regulatory standard, exclusion from further listings and naming and shaming.
- Under the terms of Art. 37 FinMIA, **decisions by the Sanctions Commission** regarding the exclusion of participants, traders and reporting agents, as well as the delisting or suspension of securities may be challenged by submitting an appeal to the **Appeals Board** within 20 trading days of receiving the decision in question.
- Where all other Sanctions Commission decisions are concerned, the party concerned may file a complaint with the **Court of Arbitration** within 20 days of receiving the decision in question.

# Members of the Sanction Commission & Appeals Board

## Sanction Commission

### **Rolf Brunner (Chairman)**

President of the Commercial Court of the Canton St. Gallen

### **Prof. Dr. Isabelle Romy (Vice president)**

Attorney-at-law, Partner at Kellerhals Carrard Zurich KIG, Professor in the Faculty of Law at the University of Fribourg and at the Lausanne Federal Institute of Technology (EPFL)

### **Members**

#### **Claudia Backenecker**

Finance Special Projects Director, Zurich Insurance Group

#### **Jean Berthoud**

Chairman of the Board, Banque Bonhôte & Cie Ltd., Neuchâtel

#### **Malcolm Cheetham**

Former Head of Group Financial Reporting, Novartis AG

#### **Sylvain Matthey**

Independent Consultant and Administrator

#### **Roger Neininger**

Independent Consultant and Coach

#### **Prof. Dr. Henry Peter**

Professor of Commercial Law, University of Geneva, Attorney-at-law in Lugano

#### **Mario Rossi**

Former CFO, Swisscom Ltd.

## SIX EXCHANGE REGULATION

### **Secretary of the Sanction Commission**

#### **Thomas Pletscher**

Independent Consultant

## Appeals Board

### **Prof. Dr. Rolf H. Weber (Chairman)**

Professor of Private, Economic and European Law, University of Zurich

### **Dr. Heinrich Andreas Müller (Vice Chairman)**

former Chief Justice

### **Dr. Jacques Iffland (Vice Chairman)**

Attorney, Geneva

### **Alternative Members of the Appeals Board**

#### **Prof. Dr. Christoph B. Bühler, LL.M.**

Attorney, Partner at böckli bühler partner, Professor at Zurich University (Titularprofessor)

#### **Christian Pella**

Former General Counsel Banque Cantonale Vaudoise

#### **Prof. Dr. Thomas Werlen**

Partner, Quinn Emanuel Urquhart & Sullivan (Schweiz) GmbH, Zurich, Professor at St. Gallen University (Titularprofessor)

# Publication of sanction decisions

PUBLICATION DATE	TITLE	ABBREVIATION	DESCRIPTION	BODY	SANCTION	DETAILS
21.08.2024	Ordonnance de sanction SB-AHP-III/24	SB-AHP-III/24	Violation des prescriptions concernant la publicité événementielle (art. 53 RC)	SIX Exchange Regulation AG	Fine	
17.06.2024	Decision SaKo-II/2024	SaKo-II/2024	Decision of 13 March 2024: violation of the applicable financial reporting standard Swiss GAAP FER (art. 51 LR, art. 6 DFR); failure to present consolidated financial statements	Sanction Commission	Fine	
12.06.2024	Sanction Notice SB-KTR-II/24	SB-KTR-II/24	Violation of the Listing Rules (Art. 42 and Art. 55 LR)	SIX Exchange Regulation AG	Fine	
06.06.2024	Decision Appeals Board		Decision of the Appeals Board of 31 October 2023	Appeals Board	Delisting	
29.05.2024	Decision SaKo-I/2024	SaKo-I/2024	Decision of the Sanctions Commission of 13 February 2024	Sanction Commission	Fine	
29.05.2024	Ordonnance de sanction SB-AHP-I/24	SB-AHP-I/24	Violation des prescriptions concernant la publicité événementielle (art. 53 RC)	SIX Exchange Regulation AG	Fine	
14.05.2024	Ordonnance de sanction SB-AHP-III/23	SB-AHP-III/23	Violation des prescriptions concernant la publicité événementielle (art. 53 RC)	SIX Exchange Regulation AG	Fine	

Source: <https://www.ser-ag.com/en/resources/sanctions.html>

**SIX EXCHANGE REGULATION**

# SIX Exchange Regulation

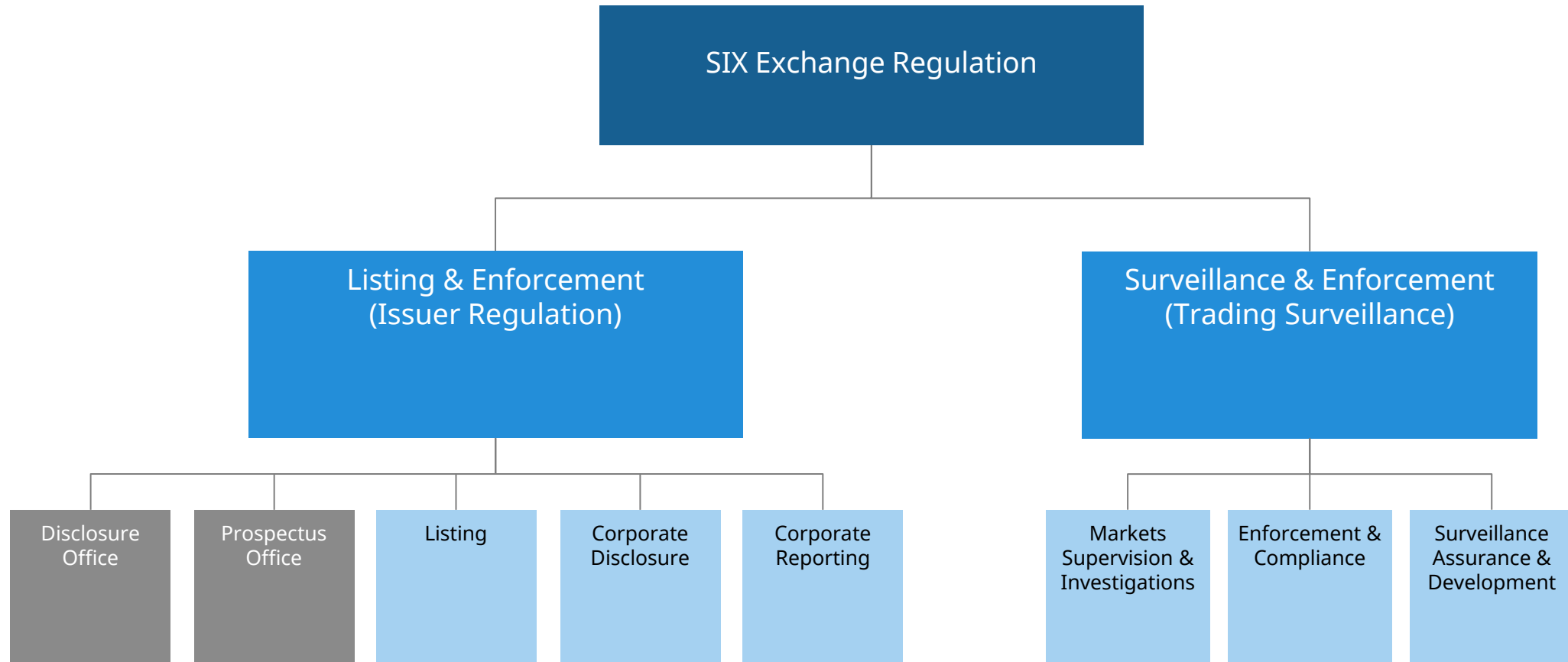
SIX Exchange Regulation AG (SER) is the **executive** element responsible for **monitoring** and enforcing **compliance** with regulations.

SER is divided into two areas:

- **Listing & Enforcement** for matters relating to **issuers**
- **Surveillance & Enforcement** for matters relating to **participants and traders**



# SIX Exchange Regulation



# Duties of Listing & Enforcement



Responsible for **IPOs** and admission of securities to trading on SIX Swiss Exchange, SIX Digital Exchange and SIX Repo in accordance with all statutory and regulatory rules



Responsible for monitoring and enforcing **issuer obligations** in relation to **ad hoc obligations, disclosure of management transactions, disclosure of shareholdings and financial reporting**



If any violations are identified, Listing & Enforcement submits a **sanction proposal** to the Sanctions Commission.

# Duties of Surveillance & Enforcement



Responsible for **monitoring trading** on SIX Swiss Exchange, SIX Digital Exchange and SIX Repo with regard to compliance with regulatory and statutory provisions (Art. 31 FinMIA)



In the event of **violations of the regulatory provisions** of the supervised trading venues, Surveillance & Enforcement may initiate sanction measures against registered traders or submit a **sanction proposal** against participants to the Sanctions Commission



If there are suspected **violations of the law** (e.g. exploiting **insider information or market/price manipulation**), the results of the investigations are forwarded in a **report to FINMA or the Federal Prosecutor's Office (Bundesanwaltschaft)**.

# Success factors for Self-regulation

Regulatory Board, SIX Exchange Regulation and Judiciary Bodies:

- Conducted by market participants for market participants
- Broad acceptance
- Transparency
- Trust
- Proximity to the market
- Experts with specialist knowledge and experience
- Efficiency and effectiveness
- Speed and agility

**→ Self-regulation is an important factor for success in the rapidly changing international stock market environment.**



# Self-regulation worldwide

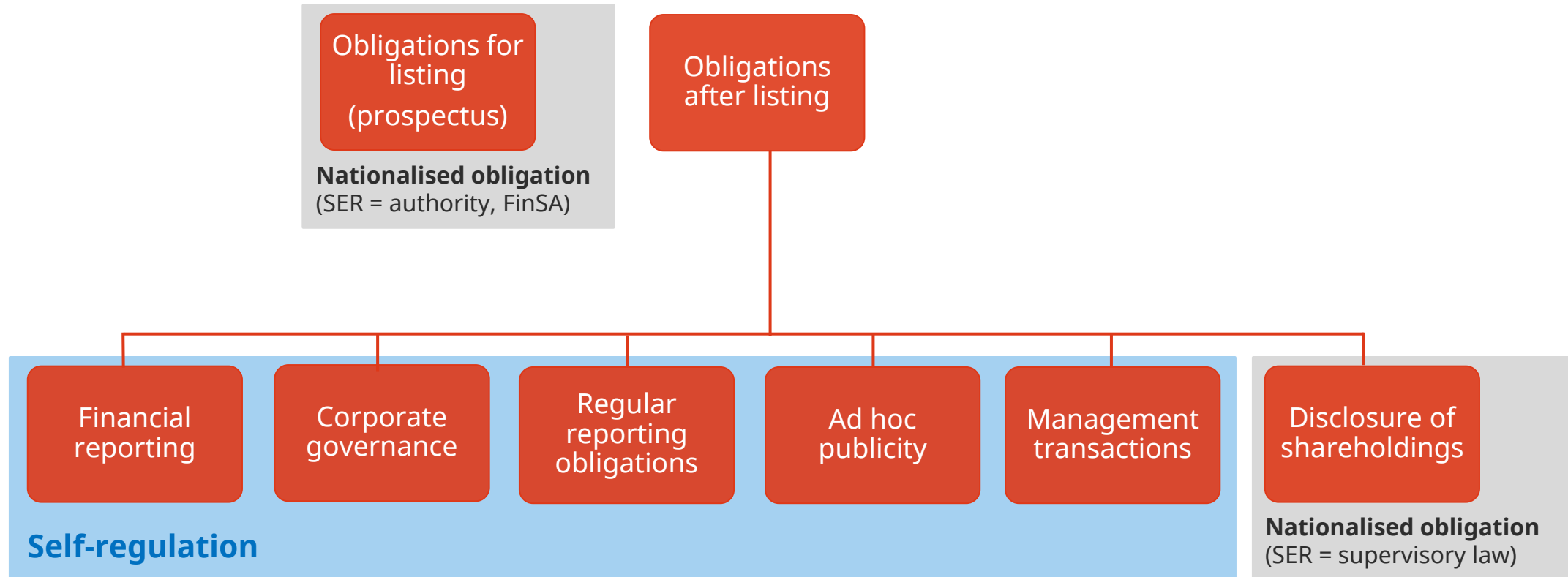
The International Organization of Securities Commissions (**IOSCO**) sets the standard on a global scale for **recognising and supporting self-regulation**.

Self-regulation is the **world's dominant model** (FINRA USA, IIROC Canada, Singapore, Japan, Brazil, etc.).

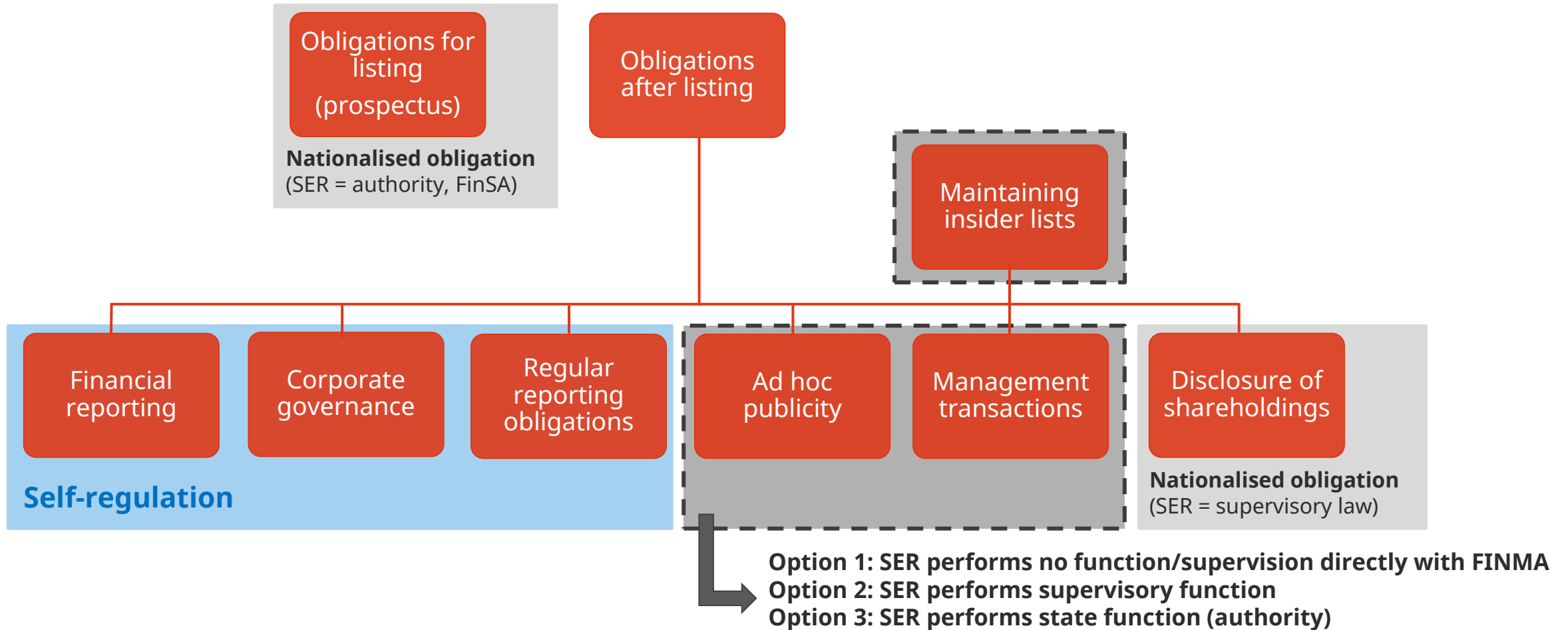
Exception: European Union (EU)

# FinMIA revision

# Regulation of issuer obligations | Status quo



# Regulation of issuer obligations | FinMIA preliminary draft



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