



SIX Swiss Exchange Message No. 35/2019

Title	Non-availability of the Swiss EBBO and Sponsored Foreign Shares trading services due to the non-recognition of the equivalence of the SIX Swiss Exchange trading venue by the European Union
Category	Trading and Products
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Pages	2
Date	28.06.2019

Information 

Content of this message:

- Decision of the Federal Department of Finance (FDF) to activate the Ordinance of the Swiss Federal Council with effect from 1 July 2019
- Non-availability of the Swiss EBBO service from 1 July 2019
- Suspension of Sponsored Foreign Shares trading segment from 1 July 2019

On 27 June 2019, the FDF confirmed that the Swiss Federal Council ordinance on the recognition of foreign trading venues for trading in equity securities of companies domiciled in Switzerland would be activated as of 1 July 2019 to protect the functioning of the Swiss capital market. This will have an effect on trading venues with their registered offices in the European Union (EU).

https://www.efd.admin.ch/efd/en/home/dokumentation/nsb-news_list.msg-id-75633.html

Swiss EBBO

Consequently, SIX Swiss Exchange hereby informs participants that the **Swiss EBBO service** for on-exchange, hybrid trading of Swiss equity securities, which seeks to achieve trades at European best bid and offer prices on a best-efforts basis, **will cease to be available from 1 July 2019**. Please note that SIX Swiss Exchange will deactivate the Swiss EBBO trading service in the Membertest environment as of 15 July 2019 as well.

The corresponding provisions in the SIX Swiss Exchange rules on the Swiss EBBO trading service will for this reason cease to apply to the "Blue Chip Shares" and "Mid & Small Caps Shares" trading segments from 1 July 2019.

The Swiss EBBO trading service can be reactivated at short notice if the EU resumes recognition of equivalence.

Sponsored Foreign Shares

In addition, SIX Swiss Exchange AG has decided to suspend the trading of all listed shares in the "Sponsored Foreign Shares" trading segment from 1 July 2019 and to release the sponsors from their obligations. All active sponsors in the "Sponsored Foreign Shares" trading segment are European investment firms and are therefore subject to the trading obligation for shares under Art. 23 MiFIR. According to Art. 23 MiFIR, investment firms may only trade in shares admitted to trading on a European trading venue on a third-country trading venue assessed as equivalent, unless the trade in such shares falls under the exceptions contained in Art. 23 (1) (a) or (b) MiFIR.

SIX Swiss Exchange Ltd. expects that the trading obligation for shares will cover both European and non-European shares traded in the “Sponsored Foreign Shares” trading segment. By opting for a suspension of the trading segment, SIX Swiss Exchange Ltd. wishes to avoid the sponsors having to continue to meet an obligation that is unlawful for them.

No open orders will be deleted from the order books as a result of the suspension of the “Sponsored Foreign Shares” trading segment. Order maintenance is still supported; no trades in the order books can occur.

Despite the suspension of the “Sponsored Foreign Shares” trading segment, on-exchange off-order book transactions in Sponsored Foreign Shares are still possible. Consequently, Swiss Exchange Ltd. hereby informs all affected participants that they themselves are responsible for ensuring compliance with the requirements of Art. 23 MiFIR.

The suspension of the trading segment can be lifted at short notice if recognition of equivalence is resumed.

Further information on exchange equivalence can be found on the dedicated SIX website:
www.six-group.com/en/home/exchange-services/exchange-equivalence.html

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

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