



**[non-binding translation]**

# **Rules of the Regulatory Board of the BX Swiss AG**

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## **1. Purpose**

- 1.1. The BX Swiss AG (hereinafter “BX”) maintains a regulatory board pursuant to Article 24 paragraph 1 section a of the Financial Market Ordinance (FMIO).
- 1.2. These rules govern the responsibilities and competences of the regulatory board.

## **2. Composition and election**

- 2.1. The regulatory board pursuant to Article 27 of the Financial Market Infrastructure Act (FMIA) is independent from the business management in terms of personnel and organisation pursuant to Article 24 paragraph 2 of the FMIO.
- 2.2. The regulatory board consists of a minimum of three and a maximum of nine members. The board of directors elects the members of the regulatory board for a period of four years. Re-election is possible. The members can be dismissed prematurely for important reasons. The regulatory board elects a chairperson from among its members. Re-election is possible.

## **3. Responsibilities**

- 3.1. The regulatory board performs the regulatory tasks under the statutory self-regulation. The rules adopted by the regulatory board must be approved by the FINMA.
- 3.2. The regulatory board governs
  - a) the admission, obligations and exclusion of trading participants, reporting participants and traders;
  - b) the organisation of trading; and
  - c) the listing or admission to trading of securities and other financial instruments as well as the obligations for maintaining or terminating the admission.
- 3.3. Pursuant to the FMIA and the related regulations, the regulatory board adopts and amends the following rules:
  - a) the Participant Rules and related directives or instructions;
  - b) the Trading Rules and related directives or instructions
  - c) the Rules of the Reporting Office and related directives or instructions.
- 3.4. The rules for issuers, listing or admission to trading are delegated to a committee (admission office).
- 3.5. The regulatory board decides on the admission, maintaining of admission and suspension of participants. For uncontested transactions and transactions of the day-to-day business, the regulatory board may delegate the responsibility to the chairperson.
- 3.6. The regulatory board may delegate tasks relating to straightforward circumstances or with limited risk to the business management, such as the decision-making power for the admission of Reporting Members, the management of security deposits, or the registration of individual traders.
- 3.7. The business management performs the administrative tasks of the regulatory board.

- 3.8. The regulatory body enforces compliance with the rules issued by the regulatory body and may order the disciplinary measures specified in these rules.
- 3.9. The sanction commission is responsible for imposing the sanctions specified in the rules of the regulatory body; in the event of corresponding violations, it initiates proceedings and conducts the necessary investigations.

#### **4. Admission office**

- 4.1. The admission office consists of a minimum of three and a maximum of five members of the regulatory board. The admission office elects a chairperson from among themselves. Re-election is possible.
- 4.2. Pursuant to the FMIA and the related regulations, the admission office adopts and amends the following rules:
  - a) the Listing Rules and related directives or instructions; and
  - b) the rules for the admission to trading and related directives or instructions.
- 4.3. The admission office decides on the initial admission to trading of securities and other financial instruments on the BX and decides on all cases defined in the relevant rules. In individual cases, it may grant exemptions from the rules or directives upon request. For uncontested transactions and transactions of the day-to-day business, the admission board may delegate the responsibility to the chairperson.
- 4.4. For straightforward circumstances with limited risk in the admission to trading, maintaining admission or suspension of securities and other financial instruments not listed on the BX, the admission office may delegate the decision-making power to the business management.
- 4.5. The admission office monitors compliance with the Listing Rules, the rules for admission to trading and the related directives and instructions. It may delegate the receipt of notices and information from the issuers to the business management. If a violation of the rules is suspected, the admission office informs the regulatory body or the sanction commission.

#### **5. Resolution**

- 5.1. The decisions of the regulatory board and its committees are adopted by a simple majority of the members present. In the event of a tied vote (even if a member recused themselves), the chairperson has the casting vote. The chairperson must designate a deputy beforehand should the chairperson also recuse themselves.
- 5.2. Decisions may also be taken by means of circulars, i.e. in writing, by telegram, fax or email (provided that the sender can be identified as the relevant member), unless a member requests oral deliberation. The decisions can be recorded and laid down in a single document or in several individual documents, all of which have the same content and are signed by one or more members.
- 5.3. Circular resolutions are passed by an absolute majority of the votes.

## **6. Means of legal redress**

- 6.1. Decisions of the Regulatory Board and the Admission Office may be appealed against by submitting an appeal to the independent appeal body of BX within thirty days after the notification of the decision.

## **7. Final provisions**

- 7.1. These rules of the regulatory board were adopted by the board of directors, approved by the FINMA on 14 November 2017, and enter into force on 27 November 2017.
- 7.2. By amendments of the Rules of the Appeal Body as of 12 August 2019, clause 3.9. and clause 6. of the rules were added, and clause 3.8 and 4.5. were amended. The additions and amendments were approved by FINMA on 13 December 2019 and enter into force on 1 January 2020.
- 7.3. Clause 3.3(c) of the rules were supplemented by the rules of the Reporting Office. The amendments were approved by FINMA on 30 July 2020 and enter into force on 1 August 2020.