

[non-binding translation]

## Rules of the Reporting Office of the BX Swiss AG

### 1. Purpose, legal bases and terms

- 1.1. The BX Swiss AG (hereinafter “BX”) maintains a reporting office to receive and process reports pursuant to Article 5 of the FMIO-FINMA (Financial Market Infrastructure Ordinance, German: FinfraV).
- 1.2. These rules govern the fulfilment of the statutory reporting obligations for securities transactions to the reporting office of the BX.
- 1.3. The reporting obligations for participants admitted on a trading platform are governed in Article 39 of the FMIA (reporting obligation of participants) and in Article 37 of the FMIO (reporting obligation of participants), for securities dealers not admitted on a trading platform in Article 15 paragraph 2 of the Federal Ordinance on Stock Exchanges and Securities Trading (SESTO; German: BEHV, Börsenverordnung; section 4, journal and reporting obligations) and Article 31 of the SESTO (reporting obligation), and for all participants subject to the reporting obligations (hereinafter referred to as participants) in Article 2 to Article 5 of the FMIO-FINMA and in the FINMA Circular 2018/2 “Duty to report securities transactions”.
- 1.4. BX is the reporting office pursuant to Article 5 paragraph 4 of the FMIO-FINMA for trades of securities which are admitted to trading on the BX and derivatives derived thereof.
- 1.5. The reporting office may recognise foreign reporting offices (TDM, trade data monitors) for reports from foreign participants.<sup>1</sup>

### 2. Registration

- 2.1. Participants must register at the reporting office as Reporting Participants.
- 2.2. The reporting office allocates a registration number to the Reporting Participant.
- 2.3. To make the report, third parties may be called in, which report in the name and on behalf of the Reporting Participant. The report is made by using the registration number of the Reporting Participant.
- 2.4. The Reporting Participant fulfils its reporting obligation by using the reporting system provided by the Reporting Office.

### 3. Reportable trades

- 3.1. Participants report all trades of securities executed in Switzerland which are admitted to trading on a trading platform and all derivatives derived thereof, if the weighting of the reportable underlying exceeds 25 %. Where changes to the composition of the underlyings through discretionary decisions during the term of a derivative are excluded (passive management), the status at the time the derivative was created (i.e. whether or not the threshold was exceeded) applies to all transactions in that derivative (FINMA Circular 2018/2 Margin no. 16). Participants are also entitled to report trades of derivatives which are not subject to a reporting obligation.

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<sup>1</sup> A list of the recognised TDM is published on the BX website.

- 3.2. If no exemptions pursuant to Article 37 paragraph 4 of the FMIO, Article 31 paragraph 4 of the SESTO and the FINMA Circular 2018/2 Margin no. 21 ff. apply, transactions effected abroad must be reported.
- 3.3. The reporting obligation encompasses
- a) every individual trade in the transaction chain (see FINMA Circular 2018/2 Margin no. 7);
  - b) domestic and foreign order transmissions;
  - c) internal execution of client orders;
  - d) internal allocation of aggregated orders;
  - e) every individual partial execution <sup>2</sup>;
  - f) proprietary and client transactions.
- 3.4. The following transactions must be reported separately to the reporting office:
- a) trade reports: trades outside of a trading platform (off-exchange trades) or outside of the order book (off-order-book trades). Trade reports are intended to promote market transparency, fair pricing and liquidity by informing the market in a timely manner, which is why short reporting deadlines and timely publication are aimed for.
  - b) transaction reports: executions on a trading platform (on-exchange trades) or order transmissions which lead to trades as described in these rules, whereby these trades must be reported by every participant in the transaction chain. Transaction reports are intended for the traceability of the transaction chain (order transmissions<sup>3</sup>) and are carried out for the purpose of trade and market surveillance.

#### **4. Exemptions from the obligation to report**

- 4.1. As further clarification of the exemptions from the reporting obligation according to Article VI of the FINMA Circular 2018/2, the following applies:
- “Remote Participants are exempt from the obligation to report (clarification of the first sentence under Margin no. 25 of the FINMA Circular 2018/2):
- a) for trades outside Switzerland between two Remote Participants of a Swiss trading platform of foreign securities or derivatives derived thereof
    - outside of a trading platform; or
    - on a trading platform not recognised by the FINMA; or
    - on an organised trading system (organised trading facility /systematic internaliser);
  - b) for trades outside Switzerland between a Remote Participant of a Swiss trading platform and a Swiss counterparty of foreign securities or derivatives derived thereof
    - on a trading platform not recognised by the FINMA; or
    - on an organised trading system (organised trading facility /systematic internaliser).”

Unlike the Remote Participant, the Swiss counterparty remains subject to the reporting obligation in this constellation.
- 4.2. The exemption pursuant to Article 37 paragraph 4 (b) of the FMIO or Article 31 paragraph 4 (b) of the SESTO in conjunction with Margin no. 24 of the FINMA Circular 2018/2 also applies to

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<sup>2</sup> The obligation to report is not attached to the order but to the completion of the order (Article 37 paragraph 1(b) of the FINMO). Thus, partial executions of an order cannot be combined, which is why a report at the average price is not possible. The exemption is the client allocation of aggregated orders, for which the allocation to one single report in consolidated form at the average price is possible even with several partial executions.

<sup>3</sup> Simple routing is not regarded as an order transmission.

the upstream order transmission(s), provided that the (main) trade is then executed on a recognised foreign trading platform or a recognised foreign organised trading system.

## 5. Content of the report

- 5.1. The content of the report is defined in Article 3 of the FMIO-FINMA as follows:
- a) designation of the participant subject to the reporting obligation (registration number)
  - b) designation of the type of business (purchase/sale)
  - c) exact designation of the securities or derivatives in question (e.g. ISIN)
  - d) scope of execution (nominal for bonds, number of units for other securities and derivatives)
  - e) price (currency and price without commissions or fees)
  - f) time of execution (trade date and trade time)
  - g) value date (general rule T+2)
  - h) information whether it is a client transaction or proprietary transaction (in the participant's own name and for the participant's own account) (agent / principal)
  - i) designation of the counterparty (for trades: BX registration number, other securities dealer or client; for order transmissions: contractor)
  - j) designation of the trading platform (MIC code trading platform, if known) on which the security or derivative was traded, or information that the trade was executed outside of a trading platform. For partial executions on several trading platforms, all of them must be reported.
  - k) for client transactions, a standardised reference from the beneficial owner (for order transmissions, only the first participant).
- 5.2. Additionally, the following details must be reported:
- l) transaction identification code (trade ID), if multiple trade IDs exist for partial executions, all of them must be reported.
  - m) other contents defined by the BX in technical instructions.
- 5.3. Reports are indicated in the Swiss Franc (CHF), regardless of the transaction currency. For the conversion to CHF, a recognised reference price or the price on a liquid foreign exchange platform at the time of the trade must be applied.
- 5.4. Reports may be submitted in the format and with the content of EU RTS 22<sup>4</sup>.
- 5.5. If the value date deviates from the usual processing cycle (T+2), it must be reported separately.
- 5.6. The beneficial owner must be reported pursuant to the specifications under Article VII of the FINMA Circular 2018/2, for which the BX accepts reports in the format pursuant to Margin no. 28, or in the format of the aforementioned EU RTS 22, in which case the decision-maker must be reported instead of the beneficial owner.

## 6. Trade reports

- 6.1. Reporting deadlines
- a) Trades executed during continuous trading generally must be reported immediately, or at the latest 30 minutes after trade time.
  - b) Trades executed outside of continuous trading must be reported before the opening of trading on the following trading day. Trades which have been executed less than 30

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<sup>4</sup> [http://ec.europa.eu/finance/securities/docs/isd/mifid/rts/160728-rts-22\\_de.pdf](http://ec.europa.eu/finance/securities/docs/isd/mifid/rts/160728-rts-22_de.pdf)  
[http://ec.europa.eu/finance/securities/docs/isd/mifid/rts/160728-rts-22-annex\\_de.pdf](http://ec.europa.eu/finance/securities/docs/isd/mifid/rts/160728-rts-22-annex_de.pdf)

minutes before the opening of trading must be reported 30 minutes after the trade at the latest.

- c) The BX may set different reporting deadlines for individual product groups in the appendix.
- 6.2. Reporting options:
- a) two-sided trade report: the participant reports trades with another participant as a two-sided trade report. The other participant must confirm the report.
  - b) one-sided trade report: the participant reports trades as a one-sided trade report. The other participant reports the trade independently. If the counterparty is not a participant, the participant reports an “off-exchange client”. If the type of business is not specified while entering the data, the reporting participant is considered as seller.
- 6.3. The reporting office publishes the information necessary for the transparency of trading, specifically the instrument, price, trading volume and time and date of trade. In principle, this information is published immediately after receipt of the report. In line with Article 28 paragraph 4 of the FMIO and international standards, the reporting office may publish trades in individual investment categories which meet certain criteria with a delay. The BX specifies the investment categories and the criteria in the appendix. For the report of trades of securities which are not admitted to trading on the BX, the respective trading platform is responsible for the publication pursuant to the laws applicable to the respective trading platform.
- 6.4. The participant is responsible for the fulfilment of the reporting obligation. Should the participant find an error in the report, the participant must delete the report and submit a new report as soon as possible, at the latest before the opening of trading on the following trading day. The Reporting office may delete a report upon request of the participant. In the case of two-sides reports, if the erroneous report has already been confirmed by the other participant, this participant then must also confirm the deletion.

## **7. Transaction reports**

- 7.1. Each participant reports all trades and order transmissions, including beneficial owners.
- 7.2. Each participant involved in the transaction chain reports order transmissions which lead to trades in accordance with the present rules.
- 7.3. Transaction reports must be submitted before the close of trading on the following trading day at the latest.
- 7.4. Transaction reports are not published.
- 7.5. Erroneous transaction reports must be deleted and possibly newly reported by the participant until the next trading day at the latest.
- 7.6. For trades of proprietary transactions (principal) on the BX, the participant may request the automatic generation of the transaction report from the BX.

## **8. Fees**

- 8.1. Pursuant to Article 5 of the FINMO-FINMA, the reporting office charges fees for the receipt and processing of reports (reporting fee).
- 8.2. The BX regulates the fees in the List of Fees of the reporting office. Otherwise, the general provisions of the List of Fees of the BX also apply to the reporting fees.
- 8.3. The reporting fees and any changes must be approved by the FINMA.

## **9. Reports after emergency situations**

- 9.1. Emergency situations do not release participants from their obligation to report.
- 9.2. Emergency situations are specifically a failure of the reporting system or parts thereof, a failure of the participant's access system and events of force majeure.
- 9.3. In an emergency situation, the participant immediately informs the reporting office.
- 9.4. Reportable trades which were made during the emergency situation must be reported in consultation with the reporting office as soon as possible after the emergency situation ended and must be specifically marked.

## **10. Final provisions**

- 10.1. The Reporting Participant is solely responsible and liable for incomplete or incorrect data entered into the reporting system. If the Reporting Participant commissions a third party for this purpose, the Reporting Participant is liable for the third party's actions and omissions.
- 10.2. The reporting office has the right to check or commission the check of compliance with statutory or regulatory provisions at any time. The Reporting Participant is obligated to grant access and allow inspection of all documents (especially of the journal) to the BX or those commissioned by the BX, and to provide all information necessary for the inspection. The Reporting Participant must bear the costs of the check and inspection. The reporting office treats the information obtained as confidential as far as statutory provisions do not stipulate the disclosure of information. The reporting office may inform or consult the FINMA.
- 10.3. The reporting office grants the trading surveillance office of the BX unrestricted access to the reports.
- 10.4. For the purpose of trading surveillance, the reporting office may forward the information necessary for the transparency of trading to other trading surveillances offices and to the competent authorities.
- 10.5. These rules were adopted by the board of directors, approved by the FINMA on 14 November 2017, and enter into force on 1 January 2018.

Appendix regarding differing reporting deadlines (clause 6.1.c) and delayed publication (clause 6.3)

**1. Differing reporting deadlines**

- none

**2. Delayed publication**

- none