

Decision of the Sanction Commission of BX Swiss AG

pertaining to the violation of the ad hoc reporting obligation in the event of criminal proceedings being instituted.

Pursuant to Clause 17 of the Listing Rules, the Sanction Commission of BX Swiss AG publishes the sanction decision below against one of its companies with primary listing.

Background

In the present case, charges were brought against a board member in 2016 with the accusation that he/she had conducted illegal “self-dealings” for his/her own benefit. In the following year, the defendant was sentenced in first instance to a fine for criminal mismanagement and forgery of documents. The defendant then appealed.

The verdict was confirmed by both the Court of Appeal and the Federal Supreme Court of Switzerland. The verdict of “qualified criminal mismanagement” and “forgery of documents” became final as of January 2018.

In August 2018, BX Swiss was informed by the public prosecutor’s office about the final conviction of January 2018. The same day, BX Swiss requested the company to publish an ad hoc notice the following day. The ad hoc notice was published the following day after a temporary trading suspension. At the same time, proceedings were instituted against the company on suspicion of violating the ad hoc disclosure obligations.

After the company’s opinion was heard, BX Swiss concluded that the ad hoc disclosure obligations had been violated. Contrary to the defendant’s opinion, the final conviction of a member of the company’s board of directors constituted a price-relevant fact in the present case which had not already been published, although an investigation against the defendant(s) had been known to the market beforehand.

Decision of the Admission Office of BX Swiss

The company as such will be sanctioned when it is accused of having violated the rules or of not having taken all reasonable organisational precautions.

In its assessment of the facts, the Sanction Commission of BX Swiss concluded that the present case constituted a moderately severe violation of the rules, which is sufficiently penalized by a fine of CHF 10.000 and a reprimand.

The defendant was ordered to bear the costs of the proceedings.