

Media Release

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Fine against The Native SA

In a decision dated 18 September 2020, the Sanctions Commission of SIX Group AG has imposed a fine of CHF 40,000 on The Native SA for breaching Swiss GAAP FER accounting standards.

On 15 July 2020, SIX Exchange Regulation AG (SER) announced in a media release it was submitting a proposal for sanctions against The Native SA to the Sanctions Commission. In particular, it was claimed that The Native SA had incorrectly performed an impairment test for a minority interest for the 2017 annual Swiss GAAP FER financial statements and had erroneously consolidated this minority investment in the 2018 interim Swiss GAAP FER financial statements.

The incorrect impairment test for the minority interest led to a material overstatement in the balance sheet and a missing material impairment expense in the income statements of the 2017 annual Swiss GAAP FER financial statements. The consolidation of this minority interest lacked the necessary control and the 2018 interim Swiss GAAP FER financial statements were thus materially misstated. The Sanctions Commission has concluded that the financial statements in question did not give a true and fair view of The Native SA's financial situation. The Sanctions Commission qualifies the breaches of the applicable Swiss GAAP FER rules as serious breaches that were committed with gross negligence. Both errors have already been corrected in the 2018 Swiss GAAP FER annual financial statements ('restatement').

As a result, the Sanctions Commission fully approved the proposal for sanctions of SER and, by decision of 18 September 2020, imposed a fine of CHF 40,000 on The Native SA. The decision of the Sanctions Commission has become legally binding after expiration of the appeals period.

If you have any questions, please contact Jürg Schneider, Head Media Relations.

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SIX Exchange Regulation AG is a legally independent company of SIX Group and one of the Regulatory Bodies of the SIX trading venues. It performs the functions assigned under Swiss federal law and enforces the rules laid down by the Regulatory Board, and monitors compliance with legal and regulatory requirements. As part of its diverse remit, SIX Exchange Regulation AG submits proposals for sanctions to the Sanctions Commission or can enact sanction notices. SIX Exchange Regulation AG consists of the divisions Listing & Enforcement, responsible for regulating issuers, and Surveillance & Enforcement, which monitors trading. www.ser-ag.com

Sanctions Commission The Sanctions Commission can impose sanctions in the case of violations of the Rule Books, the Listing Rules and the Additional Rules of SIX Exchange Regulation AG. It is composed of between five and eleven members. The Chairman of the Sanctions Commission and half of its members are elected by the Regulatory Board, with the remaining members appointed by the Board of Directors of SIX.

SIX operates and develops infrastructure services in the Securities & Exchanges, Banking Services and Financial Information business units with the aim of raising efficiency, quality and innovative capacity across the entire value chain of the Swiss financial centre. The company is owned by its users (122 banks). With a workforce of some 2,600 employees and a presence in 20 countries, it generated operating income of CHF 1.13 billion and Group net profit of CHF 120.5 million in 2019. www.six-group.com