



Regulatory Board Communiqué No. 6/2021
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New trading segment “Sparks”: Amendment to regulations

I Background

The new equity segment Sparks of the Swiss stock exchange SIX Swiss Exchange Ltd sees the introduction of listing and listing maintenance requirements for equities aimed at small and medium-sized enterprises (SMEs). In the area of listing, a new regulatory standard named “Sparks” will be introduced. In the area of trading, an addition will be made via the new trading segment for Sparks shares. The aim is to address the needs of SMEs and their investors for a dedicated, customised and regulated trading venue.

II Amendments

The introduction of the new equity segment Sparks will require adjustments to both issuer and trading regulations.

A The issuer regulations of SIX Swiss Exchange Ltd

The Listing Rules of SIX Swiss Exchange Ltd (LR) now contain special requirements designed for the Sparks regulatory standard with regard to capitalisation (Art. 89a LR), the duration of an issuer’s existence (Art. 89b LR), annual financial statements (Art. 89c LR), capital resources (Art. 89d LR) and free float (Art. 89e LR). In addition, the capital resources requirements in Art. 15 para. 1 LR will be adjusted. The issuer’s reported equity capital must now amount to at least CHF 25 million on the first trading day, instead of the current CHF 2.5 million. These adjustments also result in changes to the following implementing provisions:

- Directive Corporate Governance (DCG)
- Directive Financial Reporting (DFR)
- Directive Regular Reporting Obligations (DRRO)
- Directive Distribution Equity Securities (DDES)
- Directive Track Record (DTR)
- Directive Procedures Equity Securities (DPES)
- List of Charges under the Listing Rules

B The trading regulations of SIX Swiss Exchange Ltd

In order to enable improved pricing and execution, substantially shorter trading hours, a strict trading interruption regime and a smaller maximum order value apply in the new equity segment Sparks. These changes result in adjustments to the following trading regulations:

- Directive 3: Trading
- Directive 5: Alternative Trading
- "Trading Parameters" Guideline
- List of Charges under the Trading Rules

III Entry into force

The revised provisions will enter into force on 1 October 2021 and are published under the following link on the SIX Exchange Regulation AG website: www.ser-ag.com/en/resources/laws-regulations-determinations/regulations.html.

Regulatory Board Communiqués are published in German, French and English on the Internet.