Circular No. 2 - Financial Reporting

(Circular No. 2, CIR2)

Status on	15 October 2020
Basis	Art. 49-51 LR and Directive Financial Reporting (DFR)

This Circular further describes in detail the obligations of issuers applying IFRS or Swiss GAAP FER as their accounting standard. It makes reference to paragraphs in IFRS and Swiss GAAP FER whose application has resulted in findings from SIX Exchange Regulation AG ("SIX Exchange Regulation"). The Circular is revised and amended annually. 1

The objective of SIX Exchange Regulation is not to formulate and publish interpretations of specific accounting standards. Interpretations of IFRS are prepared exclusively by the IFRS Interpretations Committee. SIX Exchange Regulation only monitors listed companies' compliance with these standards. 2

1 International Financial Reporting Standards (IFRS)

The following references to IFRS (the "blue" 2020 edition) which are provided in red italic script have been updated and relate to findings identified by SIX Exchange Regulation with regard to the review of annual and semi-annual financial statements completed last year. 3

2 Materiality

In connection with financial reporting, materiality means that the information is of particular importance to the addressee's assessment of the company's net assets, financial position and performance. In this regard, qualitative as well as quantitative aspects must be taken into account. Moreover, materiality must be determined with regard to specifically required information and its overall effect. Generally, the disclosure of irrelevant information could represent a violation of the principle of materiality equivalent to the omission or misrepresentation of important details. 4

3 Relevance

Disclosures are deemed to be relevant if they convey actual information to users of financial statements. The required explanations in the annual financial statements must be challenged at every balance sheet date to ensure that they remain current and they must refer to company specific circumstances. Excessive descriptions of circumstances of lower importance, as well as generic disclosures that have no material substance ("boilerplate"), reduce the information value of a set of financial statements and must be avoided. 5

4 Understandability

Explanations must be provided in a manner that is understandable by a reasonably informed addressee. Disclosures must therefore be provided in a way that is clear and easy to comprehend. Spreading information on the same matter across several notes is detrimental to understandability and should be avoided. Furthermore, grouping information in a way that a material amount is assigned to a category named "other" does not fulfil the requirements of IFRS. 6

5 Faithful representation

Financial reports present economic phenomena in words and figures. To be useful, financial reporting must not only be as complete and neutral as possible, but also free from error. Multiple errors in the annual financial statements can make it very difficult for the reader to obtain a faithful and complete view of the financial position and performance, even if each error is individually insignificant. 7

6 Presentation of financial statements (IAS 1)

According to IAS 1.18, the application of inappropriate accounting policies may not be rectified by describing the accounting policies, by disclosure in the notes or by additional explanations (e.g. in footnotes). 8

IAS 1.25 states that uncertainties with regard to the entity's ability to continue as a going concern must be disclosed in the annual financial statements. Such uncertainties might, for example, include doubts about financing, a significant drop in demand, a price deterioration or a pending authorisation decision. 9

The minimum comparative information required by IAS 1.38 is generally to be disclosed for all sections of the notes, except where otherwise required or permitted by IFRS. 10

IAS 1.41 states that, if items in the annual financial statements are reclassified, the comparative figures must also be reclassified (including those as at the beginning of the preceding period for balance sheet items). The nature, amount and reason for the reclassification must be disclosed. 11

According to IAS 1.69(c), a liability (e.g. a provision) is classified as current if its settlement is due within twelve months after the reporting period. Furthermore, liabilities that do not fulfil any of the criteria as set out in IAS 1.69(a)–(d) shall be classified as non-current. 12

The statement of comprehensive income contains the items listed in IAS 1.82, and begins with "Revenue" as defined in the relevant standards. According to IAS 1.85, additional line items and sub-totals below "Revenue" may be inserted only if they are relevant to an addressee's understanding of the entity's financial position, for example because of industry practice. According to IAS 1.85A, additional subtotals may not be displayed with more prominence than the subtotals required by IFRS for the statement of consolidated income. According to IAS 1.87, no extraordinary items may be presented. The underlying purpose of this rule must be respected at all times. No attempt may be made to circumvent it by listing the corresponding items under a substantially equivalent description. The total of discontinued operations must be presented as a single amount in the income statement (or in the appropriate section of the comprehensive income statement), according to IAS 1.82 (ea). If the analysis of the single amount required under IFRS 5.33(b) is presented in the income statement (or in the appropriate section of the statement of the comprehensive income), this shall not keep the items which must be presented according to IAS 1.82 from being clearly identifiable. 13

According to IAS 1.99, an entity must disclose expenses recognised in its statement of comprehensive income either by their nature ("nature of expense" method) or by their function within the entity ("function of expense" method). The standard does not allow an approach which combines the two methods. When costs are aggregated or sub-totals are used, the company must ensure that this is in line with the selected approach and does not lead to a combination of the two methods. Furthermore, the frequency of transactions is not a suitable criterion by which to aggregate different types of expenses (IAS 1BC63). 14

In accordance with IAS 1.107, any dividend amount per share recorded over the period must be reported either in the statement of changes in equity or in the notes. In addition, information on proposed dividend payouts per share must be disclosed in accordance with IAS 1.137. As such, it is not appropriate to present such information underneath the statement of comprehensive income. 15

The accounting policies disclosed in the notes must be useful to the addressee's understanding of the financial statements (IAS 1.119). This requirement is deemed fulfilled if, among other things, the accounting policies are described in sufficient detail, grouped according to subject and updated regularly. Statements on methods which were not used (e.g. hedge accounting) do not fulfil this requirement, neither does merely reproducing the relevant provisions of IFRS. However, detailed descriptions of accounting policies for which IFRS does not provide enough or specific guidance or where accounting policy options are available are required for critical areas. 16

The disclosures required by IAS 1.122 on critical management judgements in applying the entity's accounting policies constitute an important element of the financial statements and must be compiled with reasonable care. It is therefore recommended that this information be disclosed prominently at the beginning of the notes, along with the assumptions concerning estimation uncertainty that are required under IAS 1.125. 17

7 Inventories (IAS 2)

According to IAS 2.9, inventories must be measured at the lower of cost and net realisable value. In doing so, the assumptions made for the determination of the net realisable value must be based on the most reliable indications available at the time of valuation (IAS 2.30). Furthermore, it must be ensured that these assumptions (e.g. forecast sales proceeds) are also consistently applied in other calculations (e.g. impairment test). 18

8 Statement of cash flows (IAS 7)

Cash flows are inflows and outflows of cash and cash equivalents, which are defined as short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Financial investments with a maturity of more than three months as at the date of acquisition do not normally meet these criteria. Financial instruments that are subject to fluctuations in value do not qualify as cash equivalents (IAS 7.7). The fact that a financial instrument is accepted as collateral for a liquidity facility of a national bank is not sufficient for its qualification as a cash equivalent. To report money market funds as cash equivalents, the financial instruments included in the fund must meet the corresponding criteria (look-through principle). The individual components must also be disclosed to enable an assessment of the actual composition of cash and cash equivalents (IAS 7.45). *Permanently utilised bank overdrafts may not be included as a component of cash and cash equivalents. Instead, they represent a form of financing, and, pursuant to IAS 7.8, the corresponding cash flows are presented within financing activities.* 19

According to IAS 7.10, the statement of cash flows must present cash flows from operating activities, as well as from investing and financing activities. Where the indirect method is used, the net cash flow from operating activities according to IAS 7.20 is determined by adjusting profit or loss for the effects of non-cash items (e.g. depreciation), changes in balance sheet positions (e.g. trade receivables), and other items for which the cash effects are investing and financing activities (e.g. gains on the sale of property, plant and equipment). IAS 7IE contains various examples regarding the presentation of the cash flow statement. 20

Cash flows from investing and financing activities are, according to IAS 7.21, generally to be presented gross, which means separately for receipts and payments. Cash flows arising from the issue or redemption placement or withdrawal of long-term bonds do not fulfil the IAS 7.22(b) criteria for net presentation. In addition, these cash flows must also include the activities from discontinued operations as outlined in IFRS 5.33(c). However, the more prominent presentation of additional "normalised" cash flows or subtotals (e.g. free cash flow) is not permitted. 21

Cash payments for capitalised development costs (e.g. software developed internally) are classified as cash flows arising from investing activities (IAS 7.16(a)). 22

For cash flows arising from transactions in a foreign currency or cash flows from the translation of a foreign subsidiary the exchange rate at the date of the cash flow should be used (IAS 7.26-27). According to IAS 7.27, the use of other exchange rates (e.g. weighted average exchange rate for the period) is only permitted if they essentially correspond to the actual rate. 23

Pursuant to IAS 7.28, unrealised gains and losses on the fund arising from changes in exchange rates on cash and cash equivalents are not considered cash flows, but are reported as a reconciling item between the balance at the beginning of the period, plus the net cash flows for that period and the balance at the end of the period. This reconciliation may not include any differences or unrelated elements which cannot be supported. 24

Payments for the interest portion of lease liabilities must be classified in the statement of cash flows according to the requirements of IAS 7 (IFRS 16.50(b)). In accordance with IAS 7.33, interest payments on lease liabilities may either be presented as cash flows from operating or financing activities. Interest payments on lease liabilities are, however, to be presented within the same section as other interest payments (IFRS 16BC211). 25

The total of cash flows paid in connection with the acquisition of subsidiaries (net of cash and cash equivalents acquired) must be presented as a single line item and classified as cash flows from investing activities according to IAS 7.39. 26

Investing and financing activities that do not lead to a change in cash and cash equivalents are not included in the cash flow statement. Such non-cash transactions are, for example, the first-time recognition of a lease contract, the conversion of debt into equity (debt-equity swap) or the transfer of mortgage loans in connection with a sale of real estate. Additionally, pursuant to IAS 7.43, non-cash transactions must be explained in the notes to the financial statements. 27

9 Accounting policies, changes in accounting estimates and errors (IAS 8)

An entity may only change an accounting policy if the change results in the financial statements providing more relevant information (IAS 8.14). 28

When an entity has not applied a new standard that has been issued but is not yet effective, the entity must disclose this information in accordance with IAS 8.30. The anticipated impact on future financial statements is usually known or may be estimated with a reasonable effort. The anticipated impact must thus be explained in a meaningful way. Moreover, negative confirmations that no impact is expected also provide the addressee with relevant information. 29

Errors in recognition, measurement, presentation or disclosure from previous periods are to be treated in accordance with IAS 8.42 in the form of a retrospective correction (restatement). It must be clear and unambiguous that this restatement has been made to correct an error. Under no circumstances may errors in financial reporting be presented as changes in estimates (IAS 8.32) or accounting policies (IAS 8.14). Agreements with or sanctions imposed by SIX Exchange Regulation in connection with breaches of financial reporting rules generally require the restatement and disclosure of an error. 30

10 Income taxes (IAS 12)

Recognising the effects of loss carryforwards as a deferred tax asset is not a matter of choice (IAS 12.34). The period for which future taxable profits are estimated must be based on objective criteria (e.g. statutory expiry dates). Furthermore, the assumptions that are applied must be consistent with the parameters used for other calculations (e.g. impairment tests). 31

The decision not to recognise deferred taxes in connection with shares in subsidiaries, branches and associated companies is not a general clause, but pursuant to IAS 12.39 only permissible if the group can control the timing of the reversal of the temporary differences and such differences will not be reversed in the foreseeable future. The fact that these deferred taxes were not recognised must be disclosed together with the corresponding temporary differences (IAS 12.81(f)). 32

IAS 12.81(c) requires a tax reconciliation between the applicable and the effective tax rate (effective tax expense). The items shown in the reconciliation must be comprehensible and the selected designations self-explanatory. If the applicable tax rate has changed from the previous accounting period, then such fact must also be disclosed separately in the notes, together with an explanation of the reasons for the change (IAS 12.81(d)). If the applicable tax rate represents a weighted average of tax rates in different jurisdictions, then both the effect of changes to tax rates and the impact of changes to the structural composition of results in the different jurisdictions must be explained so that an assessment of the future average tax burden is possible. In a situation in which both profitable and loss-generating group companies exist, the weighted average tax rate may not give a meaningful result as requested by IAS 12.85. It is therefore appropriate either to use the domestic tax rate or to calculate the weighted average tax rate using absolute values. 33

Pursuant to IAS 12.81(e), if the deferred tax asset has not been capitalised, the amounts and date of expiry of loss carryforwards must be disclosed. SIX Exchange Regulation recommends staggering such disclosures in a meaningful way based on expiry dates, as well as the disclosure of tax rates. In this context, it is relevant to the addressee whether the loss carryforward was incurred at a subsidiary with a high tax rate or rather at a company with a lower tax rate owing to the holding company privilege. 34

11 Employee benefits (IAS 19)

With regard to congruently reinsured post-employment benefit plans, the requirements in IAS 19.46 regarding "insured benefits" must be observed. The recognition and disclosure of such "insured benefits" in the financial statements, in other words the extent to which they are to be treated as defined contribution or defined benefit plans under IAS 19, depends on whether the company retains a legal or constructive obligation to pay benefits out of the plan (e.g. in the case of possibilities for termination on the part of the insurer). To quantify any such obligation, an actuarial assessment must be made and the relevant conclusions must be documented appropriately. 35

According to IAS 19.84, the discount rate is an actuarial assumption that has a material effect. IAS 19.85 explicitly mentions the application of a single weighted average discount rate. If the method changes and various discount rates are applied instead of a single weighted average discount rate, the effects of that change must be disclosed in accordance with IAS 8. 36

12 The effects of changes in foreign exchange rates (IAS 21)

Accumulated exchange differences, arising from non-controlling interests in foreign operations, shall be allocated to and recognised as part of the non-controlling interests in the consolidated statement of financial position (IAS 21.41). 37

Goodwill arising on acquisition of a foreign operation shall be treated as an asset of the foreign operation and thus be expressed in the functional currency of the foreign operation, and translated at the applicable closing rate into the presentation currency (IAS 21.47). However, according to IAS 36.83, the relatively low level at which goodwill is allocated here need not be the same as the level at which it is allocated for the purpose of impairment testing. 38

13 Related party disclosures (IAS 24)

Explanations concerning related parties are considered one of the most important types of qualitative information disclosed in the notes. These disclosures must be made in such a way that users of financial statements understand the potential effect of these relationships on the financial statements (IAS 24.18). *Among other things, the amount of transactions and outstanding related party balances, including a description of the underlying terms and conditions, such as the interest rate applied on a loan, shall be disclosed (IAS 24.18(b)(i)).* Furthermore, transactions with related parties may be described as based on standard market terms ("at arm's length") only if such terms can be substantiated (IAS 24.23). 39

14 Investments in associates and joint ventures (IAS 28)

If an entity holds, directly or indirectly, 20 per cent or more of the voting power of the investee, it is presumed that the entity has significant influence, unless the entity clearly refutes that presumption (IAS 28.5). 40

15 Financial instruments: presentation (IAS 32)

Pursuant to IAS 32.28, the contractual terms of the issuer of a financial instrument must be evaluated to determine whether the instrument contains both a debt and an equity component. Generally, an equity component can be recognised only if there is no contractual obligation to deliver cash or other financial assets. It is appropriate to classify embedded derivatives as equity only if a "fixed-for-fixed" requirement exists, i.e. where the only provision for fulfilling the obligation is a fixed amount of cash for a fixed number of the entity's own equity instruments. In the case of such hybrid financial instruments, the contractual provisions must be analysed carefully and the identified components must be evaluated with regard to their classification. 41

Pursuant to IAS 32.37, the transaction costs directly allocable to a capital increase are to be recognised directly in equity with no impact on the income statement. At the time of an initial public offering (IPO), existing shares are often listed alongside newly issued shares. In such instances, the transaction costs must be plausibly split up in accordance with IAS 32.38. Generally, a proportionate allocation reflecting the ratio of newly issued and existing shares meets this requirement. That portion of the transaction costs attributable to the listing of existing shares must be recognised in the income statement. 42

As a prerequisite for offsetting financial assets with financial liabilities, IAS 32.42 requires a legally enforceable right which grants the reporting company the independent right to settle on a net basis. If such a claim on net settlement cannot be exercised within a certain period of time, the offsetting criteria are not fulfilled and a net presentation is not permitted in this particular time period (IAS 32BC84). In addition, the presentation on a net basis has to reflect the expected future cash flows (IAS 32.43). 43

16 Earnings per share (IAS 33)

If negative earnings per share (loss) are reported, no anti-dilutive effect may be taken into account (IAS 33.41). Thus, generally speaking, in the event of a loss, fully diluted earnings per share are equal to basic earnings per share. Only those options that might potentially lead to a dilution or are "in the money" are included in the calculation of diluted earnings per share (IAS 33.46-47). Convertible debt is anti-dilutive whenever its interest per ordinary share on conversion exceeds basic earnings per share (IAS 33.50). 44

Other forms of earnings per share (e.g. EBIT per share) may be disclosed only in the notes, and not below the statement of comprehensive income (IAS 33.73). The method described in IAS 33 must be applied when calculating the number of shares outstanding (the denominator). If the numerator is not provided in a separate line in the statement of comprehensive income, it must be derived accordingly in the notes. 45

17 Interim financial reporting (IAS 34)

Pursuant to IAS 34.15, the purpose of interim financial reports is to update the information published in the most recent annual financial statements. Care must therefore be taken in the condensed presentation to ensure that the statements include a sufficiently detailed explanation of significant changes (e.g. restructuring, impairments, business combinations). In addition to this general requirement, IAS 34.16A(i)-(j) prescribe that the detailed disclosures under IFRS 3 for business combinations, as well as IFRS 7 and IFRS 13 for fair value measurements, must be provided. It is therefore recommended that the notes are structured accordingly. 46

If disclosures required by IAS 34 are given not in the interim financial statements but in other parts of the same report (e.g. in the "management commentary"), such disclosures must be referenced pursuant to IAS 34.16A. 47

IAS 34.28 requires that interim financial statements are based on the same accounting policies that were applied to the annual financial statements. This means that adjustments to fair values must also be made in the interim financial statements if there are changes to the underlying assumptions or estimates. 48

18 Impairment of assets (IAS 36)

Under IAS 36.33(a), when measuring value in use an entity must base its cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the economic conditions. In doing so, neither future expansion investments nor the resulting sales increases may be taken into account (IAS 36.44(b)). The same applies to cost reductions from restructuring measures, to which a company is not yet committed (IAS 36.44(a)). 49

Management must continuously improve the accuracy of cash flow projections on the basis of the knowledge gained from inaccurate forecasts made in the past (IAS 36.34). This is particularly relevant, if the market value has been significantly below the carrying value for a prolonged period of time. If cash flow forecasts are frequently missed, it must be reassessed over what period a reliable forecast is possible and the projection period must be reduced accordingly (IAS 36.35). 50

According to IAS 36.76, the carrying amount of a cash-generating unit ("CGU") includes only those assets which can be attributed directly or be allocated on a reasonable and consistent basis to that CGU and which will generate future cash inflows that are used to determine the CGU's value in use. Liabilities are only taken into account insofar as determining the CGU requires such. Even if the CGU represents a subsidiary or group of companies, it cannot thus be assumed that their shareholder equity is equal to the carrying amount of the CGU. 51

If, as per IAS 36.84, a part of goodwill acquired in a business combination during the reporting period has not been allocated to a CGU at the balance sheet date, the unallocated amount must be disclosed together with an explanation in accordance with IAS 36.133. If a reallocation of goodwill becomes necessary as a result of a reorganisation, this may constitute an indication of an impairment for those CGUs that the goodwill amount was assigned to previously. Accordingly, an impairment test must be carried out for such CGUs before a reorganisation. 52

For impairment tests relating to goodwill and intangible assets with indefinite useful lives the allocated carrying amounts (IAS 36.134(a)) and, in particular also, the basis of valuation (IAS 36.134(c)) must be disclosed. To this end, the key assumptions and methods that were used to determine the reported values must also be described (IAS 36.134(d(i)/e(i)). In this connection, the information required by IAS 36.134(d)(iv)/(v) must be disclosed quantitatively. These key assumptions and methods must be disclosed individually for each CGU with a significant amount of goodwill, not as an average figure for all CGUs. 53

If the forecast values differ from past developments or external expectations (e.g. from analysts), the reasons must be properly disclosed (IAS 36.134d(ii)/e(ii)). Where the DCF method is applied, the period of projection, the assumed growth rate beyond the projection period and the discount rate must also be provided. In addition, the events and circumstances that led to impairments must be described in the notes (IAS 36.130(a)). In this context the reason for an impairment must be described in a clear and comprehensible manner. 54

For sensitivity analysis (IAS 36.134(f)), the amount by which the recoverable amount exceeds its carrying amount, the value assigned to the key assumptions used as a basis for the impairment test, and the extent to which a change in the key assumption would lead to the recoverable value being just equal to the carrying amount, must be disclosed. If an impairment was recognised in the previous period, it is assumed that a change in a key assumption at a later date will lead to a further impairment, and thus a sensitivity analysis must be disclosed. 55

19 Provisions and contingent liabilities (IAS 37)

Pursuant to IAS 37.26, circumstances in which an obligation exists, but for which the corresponding provision cannot be estimated reliably, must be limited to extremely rare cases. It would thus be barely plausible to apply this exception rule to a specific circumstance over several periods or as a general clause for an entire category of provisions. 56

Where the effect of the time value of money is material, the amount of a provision shall be recognised as the present value (IAS 37.45). Contractual or statutory interest rates on arrears are not usually suitable as a discount rate for provisions. 57

According to IAS 37.80, a restructuring provision may include only those direct expenditures which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity. Therefore, wages, salaries and bonuses for employees under notice to leave may not be taken into account if they continue to work for a limited period. 58

IAS 37.85 requires that the nature of the obligations, the expected timing of cash outflows, as well as any related uncertainties, must be described in a meaningful way in the notes for each group of provisions. The conclusion of a legal dispute described in previous years is considered to be relevant information and must be disclosed. Care must also be taken to distinguish clearly between the disclosures for provisions and those for contingent liabilities. 59

Pursuant to IAS 37.86, for each class of contingent liability where the possibility of an outflow upon settlement is not judged to be remote, an entity must give a description of the nature of the contingent liability, as well as an estimate of its financial effect and uncertainties relating to the amount or timing of any outflow. An additional description of a contingent liability for which the possibility of an outflow upon settlement is remote can lead to misunderstandings. 60

In the event of legal disputes, IAS 37.92 stipulates that the required information may be omitted only in very rare cases. At a minimum the nature of the legal dispute must be indicated, as well as a justification for the non-disclosure. A judicial defeat in a legal dispute must be taken into account when assessing an existing contingent liability, even if there is the possibility of an appeal. 61

20 Intangible assets (IAS 38)

If the criteria of IAS 38.57 are fulfilled, then development costs must be capitalised. To ensure the comparability of companies in the same industry, it is of great relevance to the addressee that the corresponding accounting policies are described in sufficient detail. Furthermore, the total amount of research and development costs recognised as an expense during the reporting period must be disclosed in the notes (IAS 38.126). 62

If an intangible asset is assessed as having an indefinite useful life (e.g. established brands associated with a business combination), the material factors justifying that assessment must, in accordance with IAS 38.122(a), be described in the notes in a comprehensible manner. 63

If the useful life of a class of intangible assets is judged to be finite (e.g. patents), the estimated useful lives or amortisation rates used must be disclosed according to IAS 38.118(a). 64

21 Investment property (IAS 40)

Land held for a currently undetermined future use must be treated in accordance with IAS 40.8(b) as investment property. 65

In cases where significant judgement is needed in order to determine whether a property qualifies as investment property or as another class of property, IAS 40.75(c) requires the disclosure of the criteria developed in making this classification decision. 66

If the cost model is used for an investment property (IAS 40.56), the fair value shall additionally be disclosed in accordance with IAS 40.79(e). If the fair value cannot be reliably determined, the reason for that must be disclosed together with a description of the investment property. In such a case, a range of estimates must also be disclosed, if possible. 67

22 Share-based payment (IFRS 2)

For share-based payment arrangements, the number of shares and their fair values must be presented, among other information, as required by IFRS 2.47. In addition to other information that must be disclosed in the context of the valuation of stock options, the option pricing model and the parameters used for the valuation – specifically the weighted average share price, exercise price, expected volatility, maturity of the option, expected dividend, and risk-free rate – as well as the assumptions regarding the effects of an earlier-than-expected exercise of the options, must be disclosed. Furthermore, the notes must describe the effects of share-based payments on the entity's profit or loss for the period and on its balance sheet (IFRS 2.50). 68

23 Business combinations (IFRS 3)

The question as to the precise date as of which an acquired business must be included in the consolidated group is determined independently of the precise date on which the contract or merger was formally concluded. The date of the effective or actual change of control (acquisition date) must be used for the purpose of initial consolidation (IFRS 3.8-9). In determining when the effective change of control occurred, the principle of "substance over form" must be applied. To ensure that the information required under IFRS is available, interim financial statements for the acquired entity must generally be prepared as at the date of the effective change of control. 69

In the event of a business combination, the acquirer might recognise, according to IFRS 3.13, additional assets and liabilities that the acquiree had not previously recognised. These additional assets and liabilities might, for example, be brands or customer relationships. Further examples are listed within IFRS 3IE16-44. 70

In the case of acquisitions, IFRS 3.18 stipulates that the identifiable assets must generally be measured at fair value at the acquisition date. Therefore, a disclosure of the acquired assets in the statement of changes in fixed assets at adjusted, acquired costs (gross presentation) as well as the accumulated depreciations recognised by the acquired entity contradicts the requirements of IFRS 3.18. 71

According to IFRS 3.39, contingent consideration must be recognised at fair value as at the acquisition date. In this connection, a fair value of zero is usually deemed to be unreliable. In addition to the amount recognised, further qualitative and quantitative information must be disclosed according to IFRS 3B64(g). 72

If the allocation of the purchase price to the acquired assets, liabilities and contingent liabilities was determined provisionally under IFRS 3.45, and those values might change within 12 months subsequent to the acquisition, that fact must be disclosed and explained in accordance with IFRS 3B67(a). If no disclosure is made, addressees can expect that the allocated values have been established definitively and that no further adjustment will be made under IFRS 3. If retrospective adjustments to the recognition of the business combination are necessary, yet the entity has disclosed the allocated values as being definitive, those changes must be treated as an error in accordance with IAS 8 (IFRS 3.50). 73

To enable addressees to assess the business combinations, particularly the date of acquisition, the purchase price together with a description of the individual price components, and the profit or loss contribution of the acquired entity must be disclosed separately (IFRS 3.59 and IFRS 3B64 ff.). Individually immaterial business combinations may be presented together, but for every material business combination the information must be presented separately (IFRS 3B67). Furthermore, pro forma information on the revenues and profit or loss of each acquired entity must be disclosed for the reporting period as though the entity had been acquired at the beginning of that period (IFRS 3B64(q)). 74

24 Insurance contracts (IFRS 4)

IFRS 4 does not provide specific measurement requirements for insurance contracts, but allows using existing accounting policies (IFRS 4.25). The corresponding accounting policies must therefore be explained in detail in the notes, or express reference must be made to other financial reporting standards, which are developed on a similar conceptual basis (e.g. US GAAP). 75

IFRS 4.39(c)(iii) requires the disclosure of a comparison of the actual losses with previous estimates. This information is generally disclosed in the form of a so-called loss triangle. The claims development can be influenced by acquisitions or divestments of subsidiaries or portfolios. It is therefore advisable to disclose or describe the effect of acquisitions and divestments separately for the first year after the transaction. 76

25 Non-current assets held for sale and discontinued operations (IFRS 5)

Under IFRS 5.6, non-current assets must be classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. A dilution of a financial interest triggered by a capital increase by a third party or by a partial sale of an investment is only considered to be a sale transaction if control is lost (IFRS 5.8A). Furthermore, the sale must be considered as "highly probable", and generally take place within 12 months (IFRS 5.8). The period required to complete the sale may be extended only if the reasons for the extension are beyond the entity's control (IFRS 5.9). Impairment indicators must be evaluated in particular if the sale is delayed. 77

Immediately before classification as discontinued operations or as a non-current asset held for sale, the carrying amounts of the asset or all the assets and liabilities in the group shall be measured in accordance with the applicable IFRS (IFRS 5.18). If the definition of a discontinued operation is not met, any gain or loss should be included in profit or loss from continuing operations (IFRS 5.37). 78

Results and cash flows from a disposal group may be presented as discontinued operations only if the disposal group to be abandoned meets the criteria of IFRS 5.32 at that time. Pursuant to IFRS 5.35(a), purchase price adjustments in subsequent periods (e.g. from the change to earn-out values) are part of the result from discontinued operations. Changes in the use of assets which result, for example, from a change in business activities or from restructuring do not normally fulfil the criteria for abandonment under IFRS 5.13. 79

According to IFRS 5.38, non-current assets classified as held for sale shall be presented separately from the other current assets. However, they must be shown as current assets and not outside of the general classification between current and non-current assets (see IFRS 5IG12). 80

26 Financial instruments: disclosures (IFRS 7)

Financial instruments are to be analysed with regard to their characteristics and subsequently allocated in a comprehensible way to relevant classes (IFRS 7.6). Financial instruments that do not fall within the scope of IFRS 7 are to be excluded from disclosure in accordance with IFRS 7 (e.g. investments in associates or benefits and obligations relating to employee benefits). It is recommended to present the disclosures required by IFRS 7 in tabular form. It must be possible to reconcile this table with the line items in the balance sheet. 81

The disclosure on the liquidity risks in accordance with IFRS 7.39 includes a maturity analysis of the financial liabilities which outlines the remaining contractual terms to maturity. This includes the undiscounted contractual cash flows, in accordance with IFRS 7B11D. 82

If an entity uses credit risk rating grades in the measurement of expected credit losses, the quantitative disclosures about significant credit risk concentrations, according to IFRS 7.35M, are to be provided. 83

IFRS 7.40 requires sensitivity analyses of market risks (currency, interest rate and other price risks) that show how profit or loss and equity might change as the result of changes in the relevant risk variables. In this context, the applied methods and assumptions are to be chosen and disclosed in a manner that enables the addressee to arrive at a realistic assessment of the related risks. Disclosures based on best-case or worst-case scenarios do not fulfil this requirement. 84

Translation differences arising from the difference between the reporting currency of the group and the functional currency of the subsidiary must be excluded from the foreign currency sensitivity analysis (IFRS 7B23). 85

27 Operating segments (IFRS 8)

Pursuant to IFRS 8.28, a reconciliation of segment profit and loss with the profit and loss of the entity as a whole is required. Material reconciling items such as write-downs on intangible assets or financial items must be presented separately. Furthermore, reconciling items must be presented separately in accordance with IFRS 8.16, and may not be combined with the disclosures for a given reportable segment. 86

If the revenue from transactions with a single external customer amounts to at least 10% of the company revenue, IFRS 8.34 requires that this fact be disclosed along with the total revenue of each customer concerned. Furthermore, the identity of the segment(s) reporting this revenue must be disclosed. However, neither the customers' identity nor the amount of revenue per sector with the customers must be declared. There is no competitive harm exemption regarding the disclosures required under IFRS 8 (IFRS 8BC43-45). 87

28 Financial Instruments (IFRS 9)

IFRS 9.5.5.1 requires the recognition of a loss allowance for financial assets based on the expected credit losses (ECL). The measurement of ECL must reflect, inter alia, reasonable and supportable information about future economic conditions (IFRS 9.5.5.17(c)). Therefore, an ECL amounting to zero for financial assets, including trade receivables or contract assets measured according to the simplified approach set forth in IFRS 9.5.5.15, would only in rare cases conceptually be in line with the requirements of IFRS 9.5.5.17(c), as this would imply an assumption about future economic conditions that over the remaining lifetime no defaults would be expected. 88

For a financial asset to qualify for low credit risk exemption according to IFRS 9.5.5.10, the financial asset must fulfil the criteria as required by IFRS 9B5.5.22. It follows that financial assets with an external rating below "investment grade" do not qualify for low credit risk exemption. 89

29 Consolidated financial statements (IFRS 10)

In general, an investment entity may not consolidate the subsidiaries it controls. Instead, it must measure its holdings at fair value through profit or loss (IFRS 10.31). However, subsidiaries which are solely service entities (and are not investment entities simultaneously) are consolidated (IFRS 10.32). 90

30 Disclosure of interests in other entities (IFRS 12)

IFRS 12.1 sets out the general objective of disclosures about interests in other entities. The purpose of disclosures is to enable users of financial statements to evaluate the nature of interests in other entities and the risks associated with those interests and the effect on the financial position, financial performance and cash flows. If the minimum disclosures required by IFRS 12 are not sufficient to meet the disclosure objective, an entity provides any additional disclosures required to achieve this objective (IFRS 12.3). 91

With regard to the consolidated financial statements, the entity must disclose the significant judgements and assumptions, as well as any changes concerning the treatment of equity investments, joint agreements or associates (IFRS 12.7). This applies to situations in which the entity does not have control even though it holds more than half of the voting rights, or controls another entity even though it holds less than half of the voting rights (IFRS 12.9). 92

An investment entity must disclose the significant judgements and assumptions made in determining that it holds the status of an investment entity (IFRS 12.9A). 93

According to IFRS 12.10(a)(i), information about the composition of the group shall be disclosed. In addition, significant changes to the group structure compared with the previous year must be described (IFRS 12.18 and 19). 94

The disclosures about subsidiaries required by IFRS 12.10(a)(ii) shall provide understandable information about the interest of non-controlling interests in the group's activities and cash flows. From a consolidated financial statement perspective, IFRS 12.12 requires various disclosures for each subsidiary with material non-controlling interests. These disclosures also include summarised financial information about subsidiaries (IFRS 12B10), which must also take into account the requirements of IFRS 12.3. Such disclosures shall also be provided if the non-controlling interests in subsidiaries are individually immaterial but are considered to be material at group level as a whole. 95

An entity shall, according to IFRS 12B14(b), provide a reconciliation of the summarised financial information presented to the carrying amount of its interest in the joint venture or associate. This reconciliation thus includes the goodwill related to the joint venture or associate. 96

31 Fair value measurement (IFRS 13)

The determination of fair value in accordance with IFRS 13.22 must make use of all the assumptions that market participants would use for the fair value measurement. This includes the counterparty default risk, which requires an assessment and appropriate documentation of this risk at the initial as well as subsequent measurements. The underlying assumptions for the valuation methodology (e.g. discount rates, growth rates for the extrapolation of cash flow projections or volatilities in option pricing models) must be disclosed in accordance with IFRS 13.93(d). The quantitative disclosures of the non-observable input parameters for level 3 fair values can also be made using ranges and weighted averages. If such input parameters have been developed by an external provider, they are normally expected to be available to the entity and thus must be disclosed. 97

Where a company determines fair value using a valuation technique, maximum use must be made of observable market inputs. According to IFRS 13.61, the method used must be that which is most appropriate for the particular asset or liability. 98

Prices provided by traders, brokers or other services are considered fair values of level 1 only if they are based on current and regularly occurring market transactions between independent third parties (IFRS 13.78). Market transactions in an asset or a liability must therefore occur with sufficient frequency and volume to provide pricing information on an ongoing basis. It is recommended that, for each category of assets and liabilities, the characteristics defining an active market be set out in the accounting policies. 99

If there is no active market for identical assets or liabilities, their fair values must not be classified as level 1. For classification as level 2, the material input factors for the valuation of the assets and liabilities must be observable, otherwise they qualify as level 3 (IFRS 13.84). 100

For every category of assets and liabilities measured or disclosed at fair value, an entity must provide a classification into one of the three levels of the fair value hierarchy in accordance with IFRS 13.93(b). This also applies to assets and liabilities not measured at fair value, but which are subject to a disclosure requirement (IFRS 13.97). In this connection, the fair values and not the carrying amounts of the assets and liabilities must be classified in accordance with the fair value hierarchy. The disclosures regarding the fair value hierarchy must be provided regardless of whether the entity is exposed to volatility from the changes in fair value, or has transferred this risk to a third party. 101

In accordance with IFRS 13.93(h)(ii), a sensitivity analysis based on a possible change of unobservable input parameters must be disclosed for financial instruments which are measured at fair value and categorised as level 3, if such a change would result in a significant change to the fair value. For such, the influences of all contractual specifications (e.g. thresholds, asymmetry in positive/negative changes to the input parameters) must be taken into account. 102

32 Revenue from contracts with customers (IFRS 15)

If the practical expedient according to IFRS 15.121 is not applied, an entity shall disclose the amount of the transaction price allocated to unsatisfied or partially unsatisfied performance obligations, including an explanation when the recognition of related revenue is expected (IFRS 15.120). 103

33 Swiss GAAP FER

The following references to Swiss GAAP FER are based on the 2014/15 version of the Accounting and Reporting recommendations. Those shown in red italic script have been updated and relate to findings identified by SIX Exchange Regulation with regard to the review of annual and semi-annual financial statements completed last year. 104

34 Swiss GAAP FER framework

Financial statements according to Swiss GAAP FER are based on the assumption that an organisation continues as a going concern for at least 12 months after the balance sheet date (Swiss GAAP FER framework/9). Significant doubts related to the going concern assumption must be described. 105

Explanations in the annual financial statements must be provided in a manner that is understandable by a reasonably informed addressee. Disclosures must therefore be provided in a way that is clear and easy to comprehend. Spreading information on the same matter across several notes is detrimental to understandability (Swiss GAAP FER framework/32) and should be avoided. Furthermore, grouping information in a way that a material amount is assigned to a category named "other" does not fulfil the clarity requirements of Swiss GAAP FER (Swiss GAAP FER framework/33). 106

35 Presentation and format (Swiss GAAP FER 3)

Pursuant to Swiss GAAP FER 3/6, an entity may present its income statement according to either the nature of expense method or the function of expense method. If the nature of expense method is used, changes in inventory of finished and unfinished goods, as well as unbilled goods and services, must be presented separately according to Swiss GAAP FER 3/7. 107

If the format deviates from the standard (Swiss GAAP FER 3/7 and 3/8), the deviation must be appropriate (Swiss GAAP FER 3/1), e.g. with a differentiated format for real estate entities. The alternative format must also be applied consistently. It is also recommended that any deviations from the standard format be explained in the accounting policies. 108

Non-operating and extraordinary expenses and income must be presented separately from the operating result and explained in the notes (Swiss GAAP FER 3/9). Non-operating activities clearly differ from the operating activities of an entity. Acccording to Swiss GAAP FER 3/21, they include expenses and income from non-operating tangible fixed assets (e.g. real estate). For discontinued operations, Swiss GAAP FER 31/4 requires the disclosure of the net sales from goods and services and the operating result. Therefore, the involved operations relate to the operating activities and do not qualify as non-operating even after the announcement of discontinuation. 109

Discounts and rebates granted are reductions in net sales and are not considered expense items according to Swiss GAAP FER 3/18. 110

In order to qualify as extraordinary, expenses and income in the context of ordinary operations need to arise extremely rarely and must not have been predictable according to Swiss GAAP FER 3/22. These requirements need to be assessed on a case-by-case basis in relation to the reporting entity. For the criterion "extremely rare", the period since the last comparable event can be assessed as an indication of fulfilment of the criterion. The criterion “not predictable” refers factually to the triggering event and not to the time of the booking entry. A low probability of occurrence of the triggering event (e.g. less than 50%) or the fact that an event was not budgeted does not necessarily mean that the event was "not predictable". Furthermore, a decision taken by the entity can qualify as “not predictable” only in rare circumstances, where a recognisable causality between a non-predictable external event and the decision, that causes the extraordinary recognition of expenses/income, exists. It is important that the period between the external event and the decision is not unreasonably long in relation to the nature of the event. 111

36 Cash flow statement (Swiss GAAP FER 4)

According to Swiss GAAP FER 4/4, the cash fund comprises cash on hand and demand deposits with banks and other financial institutions. The fund also includes cash equivalents, which represent short-term, highly liquid investments that can be converted into cash at any time and which are subject to an insignificant risk of changes in value. For example, WIR balances and vouchers do not meet this definition. 112

Cash flows from investing activities comprise, among others, additions and disposals of financial assets (Swiss GAAP FER 4/11). This also includes short-term financial assets, which do not fulfill the definition of cash and cash equivalents. 113

37 Income taxes (Swiss GAAP FER 11)

Pursuant to Swiss GAAP FER 11/11, the potential deferred income tax assets arising from unused tax loss carryforwards must be disclosed. This disclosure is also required if tax loss carryforwards are not capitalised as deferred income tax assets in accordance with Swiss GAAP FER 11/23. 114

38 Leases (Swiss GAAP FER 13)

For operating leases that cannot be terminated within one year, at least the total amount of the future lease payments and their maturity pattern must be disclosed (Swiss GAAP FER 13/5 in connection with 13/11). 115

39 Related party transactions (Swiss GAAP FER 15)

Swiss GAAP FER 15/3 requires that all significant transactions and resulting receivables from or payables to related parties shall be disclosed. Transactions subject to this disclosure requirements include also guarantees granted (Swiss GAAP FER 15/9). 116

40 Pension benefit obligations (Swiss GAAP FER 16)

117 According to Swiss GAAP FER 16/3b, an organization has to assess whether an economical benefit or obligation exists from a pension obligation. The difference to the respective value of the prior period is recognised as personnel expense in the result of the period. According to Swiss GAAP FER 16/4, only interest income or expense from employer contribution reserves can be allocated to the financial result.

118 Swiss GAAP FER 16/5 requires the disclosure of various information on pension obligations in tabular form. It is recommended to use the example included in the appendix to Swiss GAAP FER 16 for this disclosure. When allocating pension institutions into those without surplus/deficit, with surplus and with deficit, the rules and definitions specified in Swiss GAAP FER 16/11 and in the glossary to Swiss GAAP FER 16 are to be applied. It is also important to ensure that the information on the economical part of the organization, the change in the economical part, the contributions concerning the period and on the pension benefit expenses is complete and plausible. In this respect explanations, for instance in the form of footnotes as illustrated in the example of Swiss GAAP FER 16, may be helpful.

41 Inventories (Swiss GAAP FER 17)

119 Inventories represent goods held for sale in the ordinary course of business (Swiss GAAP FER 17/1). Therefore, they must be classified as current assets (Swiss GAAP FER 17/7). Development property determined for sale must thus be classified as inventory and valued at the lower of acquisition or production cost and fair value less cost to sell (Swiss GAAP FER 17/3).

120 The disclosures of the inventories include the valuation principles and methods applied as well as a breakdown of the of the carrying amount into the most important categories (Swiss GAAP FER 17/6). This breakdown is based on the inventory categories which are relevant for the company's business activities and the relevant industry sector practices (Swiss GAAP FER 17/28).

121 In the case of acquisitions, the inventory stocks valued at actual values in the purchase price allocation under Swiss GAAP FER 30/14 represent the acquisition costs of the inventories of the target company in the meaning of Swiss GAAP FER 17/4. As such, these costs are recognised as part of the raw material expenses/changes in inventories of finished and unfinished goods at the time of sale. Write downs of inventories must also be recognised under raw material expenses/changes in inventories of finished and unfinished goods, in accordance with Swiss GAAP FER 17/27.

42 Tangible fixed assets (Swiss GAAP FER 18)

122 Tangible fixed assets held exclusively for investment purposes (e.g. rented-out residential buildings) should, subsequent to initial recognition, be measured at their current value or acquisition/ production cost less accumulated depreciation (Swiss GAAP FER 18/14). A uniform valuation basis must be applied in all cases (Swiss GAAP FER 2/3). Measuring certain assets at current value and other assets on the basis of their historical cost is not permitted. Should the valuation be made at current value, a valuation method as described in Swiss GAAP FER 18/14 must be used. The valuation must be updated at least once a year.

123 The statement of changes in tangible fixed assets is to be disclosed in a table format (Swiss GAAP FER 18/15). Swiss GAAP FER 18/16 also describes the details to be disclosed in the cost, accumulated depreciation and net carrying amount categories respectively.

43 Long-term contracts (Swiss GAAP FER 22)

In connection with long-term contracts, Swiss GAAP FER 22/5 requires that allowances need to be recognised for losses that become apparent. Provisions are only to be recognised when the necessary allowances are higher than the amount capitalised for the respective project. 124

According to Swiss GAAP FER 22/7, the principles for recognition, measurement and disclosure of long-term contracts in the financial statements are generally to be applied individually to each long-term contract. A group of contracts should only be treated as a single contract if several contracts are in close connection and therefore they are to be regarded as a single package (Swiss GAAP FER 22/27). 125

44 Provisions (Swiss GAAP FER 23)

The initial recognition, changes and the reversal of provisions must be recognised in the same area of the income statement (Swiss GAAP FER 23/9). Thus, the initial recognition of a provision within the ordinary result and a subsequent reversal underneath the ordinary result are not permissible. 126

Pursuant to Swiss GAAP FER 23/10, other provisions must be disclosed separately. These other provisions must be further broken down if additional material categories (e.g. warranty provisions) exist. 127

45 Equity and transactions with shareholders (Swiss GAAP FER 24)

Minimum disclosure requirements for the changes in equity are described in Swiss GAAP FER 24/7. In this connection, a distinction is made between capital reserves (including share premium) and retained earnings. Furthermore, changes in equity arising from capital increases/reductions must be presented separately for the various components of equity (Swiss GAAP FER 24/28). 128

46 Consolidated financial statements (Swiss GAAP FER 30)

Net assets taken over in an acquisition must be valued at actual values (Swiss GAAP FER 30/14). If previously non-capitalised intangible assets are recognised through a purchase price allocation, this accounting treatment must be applied consistently for all future acquisitions (Swiss GAAP FER framework/30). 129

Goodwill arising from acquisitions can either be capitalised or offset with equity (Swiss GAAP FER 30/14-16). As a matter of principle, the method outlined in the accounting policies shall be applied consistently to subsidiaries, joint ventures as well as associates. The application of different methods for subsidiaries, joint ventures and associates must be defined in the notes (Swiss GAAP FER 30/35). 130

The effects of a theoretical capitalisation, depreciation and impairment for acquired goodwill offset against equity must be presented in the notes (Swiss GAAP FER 30/16). Therefore, if indications for impairment exist, acquired goodwill offset against equity must be tested for impairment according to the requirements of Swiss GAAP FER 20 and, accordingly, the events and circumstances leading to an impairment must be explained (Swiss GAAP FER 20/20). 131

If the proportion of voting rights differs from the shares of capital in the case of an organisation belonging to the scope of consolidation, both the shares of capital and the differing proportion of voting rights must be disclosed according to Swiss GAAP FER 30/35. 132

If control of an organization exists despite the presence of less than half of the voting rights according to Swiss GAAP FER 30/47, it is recommended to disclose the reasons for the control in the interest of better understandability. This applies analogically to associated organizations where a significant influence can be assumed (Swiss GAAP FER 30/50). 133

47 Additional recommendations for listed companies (Swiss GAAP FER 31)

According to Swiss GAAP FER 31/13 remuneration in equity instruments or derivatives thereon, including cash settled instruments qualify as share based payment, as defined in Swiss GAAP FER 31/3. Share based payments shall be recorded in the result of the period as expenses. Advantages granted or benefits on share subscriptions that are only available for members of the board of directors, executive management members and/or employees qualify also as share based payments in accordance with Swiss GAAP FER 31/3 and 31/13. 134

For discontinued operations, Swiss GAAP FER 31/4 requires at least the disclosure of the net sales from goods and services and the operating result. In order to be transparent about the effects of discontinued operations, a separate column for discontinued operations could be presented in the statement of profit or loss. 135

The calculation method for both the non-diluted and diluted earnings per ownership right must be disclosed in the notes according to Swiss GAAP FER 31/5. If the non-diluted and diluted earnings per ownership right are adjusted retrospectively due to a capital increase or reduction, it is recommended that this fact be disclosed. Furthermore, the non-diluted and the diluted earnings per ownership right must be presented below the income statement. 136

Swiss GAAP FER 31/7 requires the disclosure of the terms and conditions of financial liabilities such as the currency, the duration and the interest rate. Furthermore, non-cash financing activities must be explained according to Swiss GAAP FER 4/6. These circumstances could, for example, include the adjustment of durations of financial liabilities. 137

The recognition method of financial liabilities which encompass elements of both equity as well as liability, must be disclosed according to Swiss GAAP FER 31/7. The applied method must satisfy the guidelines of the Swiss GAAP FER framework. In this regard, the definitions of liabilities, shareholder equity and expenses shall be taken into account. Provided that a contractual payment obligation (e.g. interest payments, repayments of notional amount) exists, the instrument can not be classified as equity only. 138

Should an entity not disclose segment results as required by Swiss GAAP FER 31/8, the reasons must be disclosed accordingly and must be explained specifically to the situation of that entity. 139

Regarding the (condensed) changes in equity, Swiss GAAP FER 31/10 requires the corresponding prior period to be used as the comparative reporting period. 140

With regard to interim reporting, Swiss GAAP FER 31/12 requires that disclosures should enable the reader to form a well-founded opinion on the development of the activities and the course of business of the organisation during the reporting period. In this connection, changes in accounting policies and the resulting material effects must be disclosed. Furthermore, factors that had a significant impact on the financial positions, the cash flows and the results of operations of the organisation during the reporting period must be disclosed. 141

Interim reports must be designated as such in accordance with Swiss GAP FER 31/12. An interim report may only be designated as fully compliant with the entire Swiss GAAP FER, if this is indeed the case. 142