

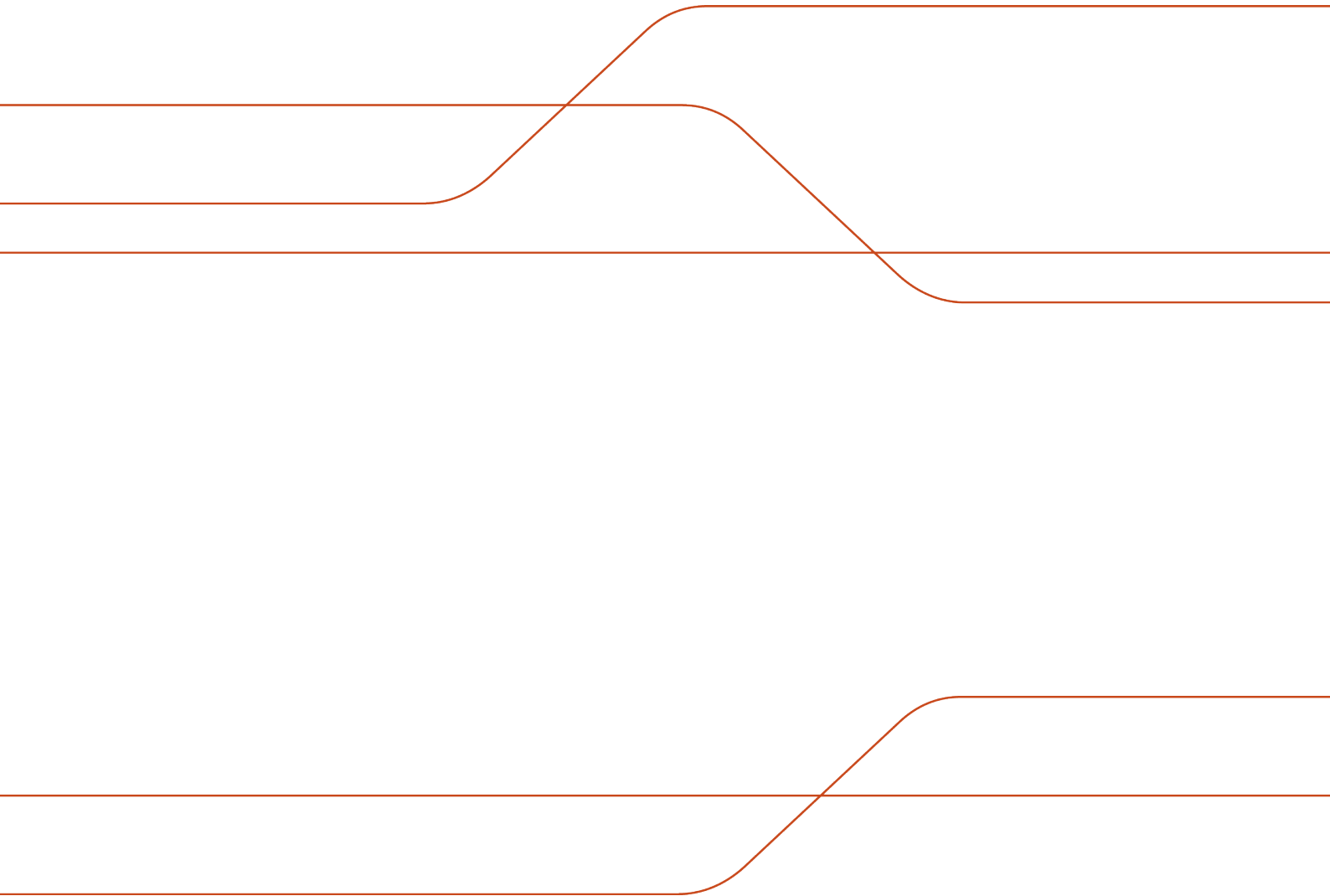


SIX Corporate Bonds AG

# Directive 1: Admission of Participants

of 08/06/2017

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## 1. Purpose and principle

This Directive contains provisions for the admission of participants, the appropriate organisation and registration obligations and is based on the Rule Book.

## 2. Admission as a participant

### 2.1 Admission requirements

An applicant must fulfil the admission requirements according to Clause 4 Rule Book, i.e. he must

- a) have a licence as a securities dealer or remote member of SIX Corporate Bonds from FINMA;
- b) be a participant in a settlement organisation recognised by SIX Corporate Bonds or have access to such via a custodian;
- c) have provided a deposit, if SIX Corporate Bonds demands one in accordance with Clause 4; and
- d) meet the requirements for connecting to the SIX Corporate Bonds system.

### 2.2 Application for admission

<sup>1</sup> The applicant must apply to SIX Corporate Bonds in writing for admission. The applicant must submit the following documents with the application:

- a) a copy of the FINMA securities dealer licence or the FINMA remote member authorisation;
- b) as the case may be, evidence that the collateral deposit has been made;
- c) evidence that he has access to a settlement organisation recognised by SIX Corporate Bonds;
- d) a certified extract from the Commercial Register or of a document corresponding to the extract from the Commercial Register as evidence of the participant's domicile, business purpose and the names of the persons with signing authority;
- e) an annual report and the current audited annual financial statements incl. auditor's report (unless included in the annual report itself); and
- f) the applicant's organisational chart.

<sup>2</sup> The application form for admission as a participant may be obtained from SIX Corporate Bonds and is available on the website of SIX Corporate Bonds.

### 2.3 Decision of admission

<sup>1</sup> SIX Corporate Bonds shall examine the application, in particular whether the admission requirements are met. If so, SIX Corporate Bonds shall admit the applicant as a participant.

<sup>2</sup> SIX Corporate Bonds shall inform the participant in writing. If the decision is negative, it shall provide an explanation.

### 2.4 Suspension and termination of participation

#### 2.4.1 Suspension

SIX Corporate Bonds may block a participant's access to the SIX Corporate Bonds system at any time and/or delete its activity in the events specified in Clause 7.1 Rule Book or as part of sanction proceedings.

### 2.4.2 Termination

<sup>1</sup> The participant or SIX Corporate Bonds may cancel the participation agreement in writing at any time in compliance with the notice period specified in Clause 7.2 Rule Book.

<sup>2</sup> The exclusion of the participant as part of sanction proceedings in accordance with Clause 17 Rule Book remains reserved.

## 3. Appropriate organisation and registration obligations

### 3.1 Persons responsible

<sup>1</sup> In accordance with Clause 5.3.1 Rule Book, the participant must register all persons responsible for trading with SIX Corporate Bonds. These are:

- a) the traders (incl. head trader);
- b) the business coordinator;
- c) the compliance officer; and
- d) the IT coordinator.

<sup>2</sup> For traders, the provisions set out in Clause 3.2 shall apply additionally.

### 3.2 Registration of traders

#### 3.2.1 Registration requirements

A trader must fulfil the registration requirements according to Clause 5.3.2 Rule Book, i.e. he must:

- a) be of good repute;
- b) possess sufficient specialist knowledge, in particular the product and market knowledge required for trading on SIX Corporate Bonds;
- c) be familiar with the trading and settlement modalities of SIX Corporate Bonds;
- d) acknowledge the rules and regulations of SIX Corporate Bonds; and
- e) be subject to the participant's direct right of instruction.

#### 3.2.2 Registration application

<sup>1</sup> The application for registration shall be made in writing. The participant shall submit the following documents in writing with the application:

- a) declaration of the trader's personal reliability and good repute;
- b) proof that the trader has sufficient expertise;
- c) confirmation that the trader is subject to the participant's direct right of instruction; and
- d) declaration of the trader that he accepts SIX Corporate Bonds' rules and regulations (incl. sanction procedure).

<sup>2</sup> Proof that a trader possesses sufficient knowledge and expertise is given by being authorised to trade by a Prudential Regulator within Switzerland or the European Union. Proof of this authorisation must be provided.

<sup>3</sup> The relevant registration forms may be obtained from SIX Corporate Bonds and are available on the website of SIX Corporate Bonds.

### 3.2.3 Registration procedure

<sup>1</sup> SIX Corporate Bonds shall examine the application, in particular whether the registration requirements are met in accordance with Clause 5.3.2 Rule Book.

<sup>2</sup> If so, SIX Corporate Bonds shall register the trader and inform the participant and the relevant trader in writing of the decision. If the decision is negative, it shall provide an explanation.

### 3.2.4 Suspension and withdrawal of the registration

<sup>1</sup> SIX Corporate Bonds may suspend a registration made at any time, if the registration requirements are no longer met.

<sup>2</sup> SIX Corporate Bonds may withdraw the registration:

- a) on the participant's application;
- b) if the requirements for the registration are no longer met; or
- c) if a suspension has lasted for more than six months.

## 4. Provisions for the deposit

<sup>1</sup> In accordance with Clause 4.3 Rule Book, SIX Corporate Bonds may require the applicant or, during the participation, the participant to provide a deposit.

<sup>2</sup> SIX Corporate Bonds shall decide at its own discretion on the basis of the applicant's or participant's creditworthiness and in compliance with the principle of equal treatment whether a deposit is to be provided.

<sup>3</sup> SIX Corporate Bonds shall set the type and amount of the deposit on the basis of the applicant's or participant's business and the trade volume expected, and may adjust it, where necessary.

<sup>4</sup> When providing a deposit as securities, they are utilised at SIX Corporate Bonds' discretion as a private liquidation or by enforcement of liquidation. In the event of enforcement of liquidation, this may also take place as a private sale.

<sup>5</sup> The deposit shall serve primarily to settle outstanding liabilities of the participant towards SIX Corporate Bonds and only to a subordinate degree for those of other participants. If the deposit is used to settle due liabilities towards participants, SIX Corporate Bonds shall ensure the equal treatment of all participants.

## 5. Information

On submission of the application for admission or registration, the participant and the traders give their consent that SIX Corporate Bonds may divulge or obtain from third parties information relating to them as part of Clause 19 Rule Book.

## 6. Obligations to cooperate

<sup>1</sup> The participant and the traders shall immediately notify SIX Corporate Bonds of all changes to the information transmitted to SIX Corporate Bonds under this Directive.

<sup>2</sup> SIX Corporate Bonds is entitled to demand up-to-date and additional documents from the participant and the relevant trader, where applicable, at any time and without stating the reasons.

Resolution of the Participants & Surveillance Committee of the Regulatory Board of 8 June 2017; in effect since 23 October 2017.