



Market consultation outcome and decision about CHF bonds traded on SIX Digital Exchange (SDX)

Zurich, 28 September 2021

SIX, the Benchmark Administrator of the Swiss Bond Indices (SBI®), has conducted a market consultation about the index eligibility of bonds traded on both, SIX Swiss Exchange and SIX Digital Exchange (SDX). The market consultation was conducted from May 19, 2021 to June 18, 2021. The consultation provided background about SDX, its future plans on becoming operational, as well as a high-level overview of how the bond trading will work on SDX. Participants were asked whether they are generally in favour of adding SDX as an eligible exchange for the Swiss Bond Index.

Feedback from market consultation

The feedback was predominantly positive.

Participants that were in favour of adding SDX as an eligible exchange, mostly agreed with SIX' proposal for the treatment of bonds:

- Bonds that are listed/traded on both exchanges, are in principal eligible for the SBI®, subject to other criteria such as minimum nominal, time to maturity, credit rating, etc..
- The full nominal of a bond will be used in the index, independent of how much will be listed/traded on each of the two exchanges separately
- SIX Swiss Exchange will remain the only source for the bond prices for the time being (some participants noted that each exchange should be used as a pricing source; some mentioned this should be monitored once the majority of trading happens on SDX)

Participants that were against adding SDX mostly indicated that investors might be disadvantaged if they cannot trade on SDX. SIX believes that the current proposal does not force investors to trade on SDX but simply gives them an option to do so.

Result

Due to the predominantly positive feedback, SIX and the Bond Index Commission have decided to include bonds in the SBI that are traded/listed on both exchanges. The SBI rulebook will be updated and published in good time before the first listing/trading of such a bond.

All questions and feedback regarding the outcome of the market consultation can be sent to the following e-mail address: indices@six-group.com