

FINMA Guidance

02/2018

New recognition obligation for foreign trading venues for the trading of Swiss equity securities

30 November 2018

Based on Article 184 paragraph 3 of the Federal Constitution, the Federal Council has adopted the [“Ordinance on the Recognition of Foreign Trading Venues for the Trading of Equity Securities of Companies with Registered Office in Switzerland”](#) (see Federal Council [press release](#) dated 30 November 2018. This came into force on 30 November 2018. From 1 January 2019, foreign trading venues where Swiss equity securities are traded or that facilitate the trading of such equity securities must obtain prior recognition from the Swiss Financial Market Supervisory Authority FINMA.

Pursuant to the Federal Council Ordinance, a foreign trading venue can only be recognised if it has its registered office in a jurisdiction that is not entered in the [list](#) maintained by the Federal Department of Finance (FDF). Consequently, only trading venues outside the European Union (EU) can currently be recognised. Should the EU no longer be included in the above-mentioned FDF list, FINMA will immediately also recognise trading venues from the EU.

On 30 November 2018, FINMA already recognised a number of trading venues that have their registered offices in non-EU countries by way of a collective ruling and without prior application. The ruling will be published in the [Federal Gazette](#). On its website, FINMA maintains a [list](#) of recognised foreign trading venues. The list will be updated on an ongoing basis.

If a non-EU trading venue where Swiss equity securities are traded now or in the future is not included in FINMA’s list, it can contact FINMA regarding recognition at the following address: exchangesupervision@finma.ch.

Under Article 44 of the Financial Market Supervision Act (FINMASA), any person who wilfully or negligently without recognition carries out an activity that requires recognition under the financial market acts is liable to criminal sanctions.

The new recognition requirements apply in addition to the existing duty to obtain recognition pursuant to Article 41 of the Financial Market Infrastructure Act (FMIA), which is tied to the admission of Swiss participants.