



# SDX

a SIX company

Digital value exchange.  
The Swiss way.

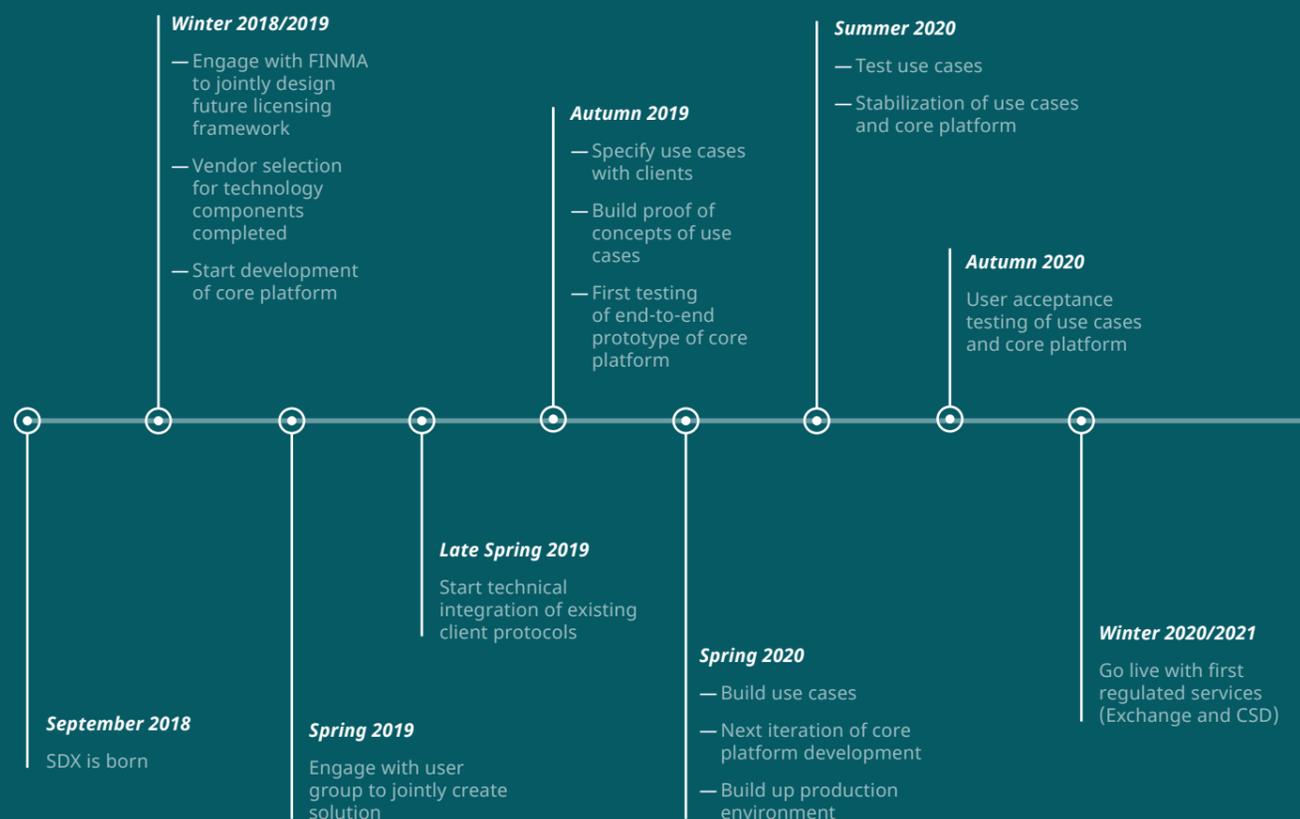
# SDX

a SIX company

The world's leading exchange for digital assets. Where professionals can access, transfer and store value. Run firmly on trusted regulation – the Swiss way.

## Target Timeline

### ROADMAP UNTIL GO LIVE



## STRATEGIC CONTEXT

SIX Digital Exchange is driven by several major trends impacting market infrastructure and moving them towards a digital asset ecosystem:

### Commoditization: increasing margin pressure on exchanges

In the coming years, both buy-side (e.g. Wealth Managers, Asset Managers) as well as sell-side players (IBs and CIBs) will put increasing pressure on market infrastructure players to become more efficient.

### Competition: traditional stock exchanges and crypto exchanges are building towards a digital market infrastructure

Incumbents (FMIs & banks, etc.) are starting the tokenization of assets and payments aiming to achieve resource efficiencies, increased transparency and simplicity along the value chain. "New" market players (e.g. crypto exchanges) are bringing the public-blockchain assets currently geared towards retail customers to the traditional universe of investors.

### Changing investor perception: investors start accepting digital assets as a valid investment

Digital assets are generally still viewed as high risk, "fringe" asset class. As more robust custody solutions for the safekeeping of tokens arise, investor trust is likely to

increase. Furthermore, the more traditional assets are moved towards the digital asset space, the perception between traditional assets and digital assets will erode.

### Technological innovation: technology necessary for digital assets is maturing

Technological innovation enables new business models as well as fundamental changes in the way services can be provided to clients. Distributed Ledger Technology (DLT) has achieved a maturity level that allows its application to a myriad of use cases across the market infrastructure industry.

### Changing regulatory framework: reacts to market trends

Switzerland wants to strengthen its attractiveness for the "digital community" and allow the establishment of an innovative global hub for digital asset trading and safekeeping.

## THE OPPORTUNITY

SIX Digital Exchange is the response to these market drivers:

- **Position the Swiss marketplace** as the global leader in digital value exchange
- **First mover advantage in the digital asset space** covering the full value chain (listing, trading, custody, asset servicing)
- **Ensuring that the Swiss market infrastructure, its shareholders and clients** continue to play a leading role
- **High service quality from a trusted player**
- **Enabling the emerging ecosystem** (e.g. IDO collaboration partners, technology providers, stakeholder relations)
- **Facilitating the creation** of the regulatory environment in Switzerland
- **Offering clients access** to new products, services and business models

## SERVICE OFFERING

Providing best-in-class services covering every step of the value chain, end-to-end.

### Trading

SDX enables its participants to trade all products listed on the SDX platform. Trading will follow established SIX principles to ensure fairness, transparency and efficiency. Initially, trading hours will follow established SIX guidelines, in a second step SDX will offer longer trading hours to create a truly global marketplace for digital assets.

### Clearing & Settlement

Clearing & settlement on the SDX platform differentiates itself from the traditional world in a significant way. SDX supports atomic settlement (T-zero) keeping the need for collateral management and clearing to a minimum.

### Asset Servicing

Asset Servicing on SDX is an industry disruptor. SDX offers all standard elements of asset servicing including asset life cycle management, corporate actions, tax and reporting

services. What is truly differentiating is the use of smart contracts to automate a high proportion of it for both SIX/SDX as well as banking clients. With the option to integrate beneficial owner accounts, SDX can act as an asset servicing utility provider for its clients and enable them to focus on their value adding services. Additionally, SDX acts as a gatekeeper and notary.

### Custody

SDX ensures uninterrupted access and secure storage of all assets on its platform and therefore under its custody. The SDX DLT offers the possibility for SDX clients to directly control the intermediated securities they own through their Private Key.

## SERVICES

Creation, Issuance & Listing

Riskless Trading & Atomic Settlement

Smart Asset Servicing

Key Management

## PLANNED PRODUCTS

Initial Digital Offerings (IDO)

Structured Products & other products

Bonds & Loans

Funds

Non-bankable assets

## KEY BENEFITS

### Efficiency Gains

- Long-term **cost-savings** by reducing collateral requirements and associated costs
- Reduced **operational cost** thanks to significantly simplified asset servicing
- Reduced **data cost** through shared single source of information.
- **Fees per transaction** are likely to decrease on the new platform

### New Opportunities

- Significantly grow the **asset universe** and increase its transferability
- **New primary and secondary markets** emerge as additional IDOs come to market
- Use the SDX ecosystem to create inter-bank or inter-client **private marketplaces (Network as a Service)**
- Gain access to **new clients** – list once, trade anywhere, settle instantly