World Forum of CSDs

AGC answers

WFC Single Disclosure Report 2024

AGC answers

Date submitted

28/03/2024 05:16:21

SDX
a SIX company

AGC: 0a

Please indicate the full name of the responding institution:

SIX Digital Exchange AG (SDX)

AGC: 0c

Registered address:

Hardturmstrasse 201, 8005 Zürich

AGC: 0d

Country of registered address:

Switzerland

AGC: 1

Rule 17f-7, by reference to Rule 17f-4, requires that, for a CSD to be eligible to hold securities of U.S. registered investment companies (such depositories hereinafter referred to as "Eligible Securities Depositories"), the CSD must be a "system for the central handling of securities where all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of the securities."

Are all securities of a particular class or series of any issuer that are deposited in your institution treated as fungible, and can they be transferred or pledged by bookkeeping entry without physical delivery of the securities?

◉ Yes   ○ No

AGC: 1a

Please explain

Yes; the securities held within SIX Digital Exchange AG (SDX) are issued in the form of intermediated securities under the Federal Act on Intermediated Securities (FISA; i.e. they are in book entry form).

AGC: 2

Rule 17f-7 also requires that an Eligible Securities CSD "acts as or operates a system for the central handling of securities or equivalent book-entries in the country where it is incorporated," or "acts as or operates a transnational system for the central handling of securities or equivalent book-entries." Does your institution:

- ☑ Act as or operate a system for the central handling of securities or equivalent book-entries in the country where it is incorporated?Regional & savings bank
- ☐ Act as or operate a transnational system for the central handling of securities or equivalent book-entries?
- ☐ Act in another capacity with respect to the handling of securities or equivalent book-entries?
- ☐ Not applicable
- ☐ Other:

AGC: 2a

Please explain

SDX is a Swiss central securities depository in accordance with the Federal Act on Financial Infrastructures and Market Conduct in Securities and Derivatives Trading (FinMIA), authorized by the Swiss Financial Market Supervisory Authority (FINMA).

AGC: 2b

Please specify the types of securities for which you act as or operate a system for the central handling of securities or equivalent book-entries:

Government Bonds
Corporate Bonds
Equities
Money Market Instruments

AGC: 3

What type of legal entity is the institution?

- ☐ Public Company
- ☐ Stock Exchange (or part thereof)
- ☐ Central Bank (or part thereof)
- ☑ Private Company
- ☐ Other:

AGC: 4

Is the institution operated as a "for profit" or a "not for profit" organization?"

◉ For profit   ◯ Not for profit

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AGC: 5

Please provide the names of the owners and their ownership interest percentages.

SIX Group AG has several wholly-owned subsidiaries, one of these being SDX. The owners of SIX comprise around 125 national and international financial institutes. The shares are widely distributed, i.e. no owner or bank category has an absolute majority. The major shareholders of SIX include:
Large universal banks (UBS and Credit Suisse): 34.5%
Foreign banks: 15.1%
Commercial and investment banks: 17.6%
Cantonal banks: 14.3%
Private banks: 2.8%
Regional and Raiffeisen banks: 8.5%
Treasury shares: 3.1%
Others: 4.1%

AGC: 6a

What is the date of establishment of the CSD?

Please enter the answer in DD/MM/YYYY format.

If you are filling the survey for more than one organization, please enter the name of each organization in different lines and in front of each one thecorresponding date.

28/06/2018

AGC: 6b

What is the date that the CSD's operations began?

Please enter the answer in DD/MM/YYYY format.

If you are filling the survey for more than one organization, please enter the name of each organization in different lines and in front of each one the corresponding date.

10/09/2021

AGC: 7

Under what regulation or statute is the CSD established and governed?

SDX is a central securities depository in accordance with Art. 61 et seq FinMIA and, as such, subject to supervision by the Swiss Financial Market Supervisory Authority (FINMA). It is also a custodian in accordance with Art. 4 para. 2 (d) FISA and a financial intermediary according to Art. 2 para. 2 (dbis) of the Federal Act on Combating Money Laundering and Terrorist Financing in the Financial Sector (Money Laundering Law, AMLA).

AGC: 7a

Is the regulation or statute electronically available?

◉ Yes　　◯ No

AGC: 7b

If regulation or statute is electronically available, please supply web address(es) here or upload document(s).

https://www.fedlex.admin.ch/eli/cc/2015/853/en
https://www.fedlex.admin.ch/eli/cc/2009/450/en
https://www.fedlex.admin.ch/eli/cc/1998/892_892_892/en
http://www.finma.ch

AGC: 7d

What are the roles and responsibilities of the CSD's board of directors (or equivalent), and are they clearly specified? Please provide details of the structure and composition of your Board together with their industry experience and responsibilities in governing the CSD. What are the qualifications to become a board member?

According to art. 716a (1) Swiss Code of Obligations (CO), the BoD has the following non-transferable and inalienable duties: - the overall management of the company and the issuing of all necessary directives; - determination of the company's organization; - the organization of the accounting, financial control and financial planning systems as required for the management of the company; - the appointment and dismissal of persons entrusted with managing and representing the company; - overall supervision of the persons entrusted with managing the company, in particular with regard to compliance with the law, articles of association, operational regulations and directives; - compilation of the annual report, preparation for the general meeting and implementation of its resolutions; and - notification of the court in the event that the company is over-indebted. The members of the Board of Directors and third parties engaged in managing the company's business, e.g., the senior management, must perform their duties with all due diligence and safeguard the interests of the company in good faith (art. 717 (1) CO). Art. 9 (2) FinMIA prescribes that the persons responsible for the administration and management of the financial market infrastructure must enjoy a good reputation and have the specialist qualifications for their functionns. Additionally, they need to provide the guarantee of irreproachable business conduct (art. 9 (1) FinMIA) and FINMA has to give its consent to the members of both the board and executive management (art. 10 (1) of the Ordinance on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading).

AGC: 7e

What are the election procedures?

Candidates are elected by the general meeting.

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AGC: 7f

What is the maximum length of time a board member can serve?

There is no maximum length of time a board member can serve.

AGC: 7g

How are the voting powers distributed amongst the board members (i.e. does each board member have one vote or do certain members have additional voting power)?

Each board member has one vote. In the event of a tie, the Chairman has the casting vote.

AGC: 7h

What are the procedures established to review the performance of the board as a whole and the performance of the individual board members? Who is responsible for regulating the board members?

The general meeting is responsible to discharge the members of the board (cf. Art. 698 para. 2 lit. 7 CO).

AGC: 8

Rule 17f-7 requires that an Eligible Securities Depository regulated by a foreign financial regulatory authority as defined under section 2(a)(50) of the Act, with section 2(a)(50) establishing that z 'foreign financial regulatory authority' means any (A) foreign securities authority, (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate the participation of its members in activities listed above." Who regulates the activities of the CSD?

- [ ] A membership organization which regulates the participation of its members in securities matters or other financial activities.
- [x] A governmental body or regulatory organization empowered to administer or enforce laws related to securities matters.
- [ ] A governmental body or self-regulatory organization empowered to administer or enforce laws related to other financial activities.
- [ ] Other:

AGC: 8a

Please explain

Not Applicable

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AGC: 9

Please provide the name of regulatory authority(ies) identified in question 8:

Swiss Financial Market Supervisory Authority (FINMA).

AGC: 10

Rule 17f-7 requires that an Eligible Securities Depository is subject to periodic examination by regulatory authorities or independent accountants. Is the CSD subject to periodic examination by:

- ☑ Regulatory authorities?
- ☑ Independent accountants?
- ☐ Other:

AGC: 10a

Please explain

Not Applicable

AGC: 11

Name of Authority #1 (please answer 11a):

Swiss Financial Market Supervisory Authority (FINMA).

AGC: 11a

What enforcement actions are available to regulatory authority #1 for breach of applicable statute or regulatory requirements?

- ☑ Fines
- ☑ Restrictions on CSD activities.
- ☑ Suspension of CSD activities.
- ☑ Termination of CSD activities.
- ☐ Other:

AGC: 11b

Please explain

Not Applicable

AGC: 11c

What enforcement actions are available to regulatory authority #2 for breach of applicable statute or regulatory requirements?

- ☐ Suspension of CSD activities.
- ☐ Restrictions on CSD activities.
- ☐ Termination of CSD activities.
- ☐ Fines
- ☑ Other: Not Applicable (only one regulatory authority)

AGC: 11d

Please explain

Not Applicable

AGC: 12

Has there been any use of such enforcement actions in the last three years?

- ☑ No
- ☐ Yes
- ☐ Other: Not Applicable (only one regulatory authority)

AGC: 12a

If yes, please explain:

AGC: 13

Has there been any use of such enforcement actions in the last three years?

◯ Yes　　⦿ No

AGC: 13a

If yes, the AGC requests a copy of the institution's annual report. Is the annual report available electronically?

◯ Yes　　◯ No

AGC: 13b

filecount - If yes, please upload the document(s) here or insert web link(s) in question 13d:

AGC: 13c

filecount - If more than one document for 13b, please upload the additional document here:

AGC: 13d

Please insert web link(s) for 13b here:

Not Applicable

AGC: 13e

If no, and annual report and/or financial statements are not disclosed, please state your share capital, reserves, and retained earnings (or equivalents as determined under local accounting standards). Share Capital (then please answer 13f):

Share Capital CHF 5.5 million

AGC: 13f

Reserves (then please answer 13g):

CHF 245.1 million

AGC: 13g

Retained Earnings:

CHF 161.3 million

AGC: 14

Internal Audit. Is an internal audit undertaken in your CSD?

◉ Yes   ○ No

AGC: 14a

If yes, what areas does the audit cover (financials, operations, etc.) and which department in your CSD handles it?

The Internal Audit function of SIX conducts audits according to IIA standards. It conducts operational and financial audits in all focus areas in accordance with the yearly risk assessment. The annual plan is coordinated with Ernst & Young and submitted to the Audit Committee of the Board of Directors for approval. The independence of the Audit function is assured by the functional reporting line directly to the Audit Committee and the administrative reporting line to the Chairman of the Board of Directors. Internal Audit reports are also distributed to Ernst & Young on behalf of the Swiss authorities.

The Internal Audit team performs audits and quality controls on custody operations, reviews operational processes and reconciliations throughout the year. This includes in-depth checks on certain business areas on an ad-hoc basis. The audits generally cover the last twelve months on a sample basis. The findings of such checks are reported to the Audit Committee of the Board of Directors.

AGC: 14b

Please list the date of your last internal audit and the period that the audit covered:

End date: 01/01/2022
Start date: 01/01/2022
Audit date: 03/04/2023

AGC: 14c

How frequently does the internal audit occur?

◯ Two or more times a year
◉ Annually
◯ Less than annually

AGC: 14d

If less than annually, please explain:

AGC: 14e

Are the results of the internal audit publicly available?

◯ Yes   ◉ No

AGC: 14f

Please select the statement that most accurately characterizes the results of the last internal audit:

○ No material exceptions found.
○ Minor exceptions found.
● Material exceptions found.

AGC: 14g

If minor or material exceptions were found, what actions were taken? Please describe:

Not Applicable

AGC: 15

Is a financial audit performed by an Audit Firm, Regulatory Authority, or other external party?

● Yes   ○ No

AGC: 15a

If yes, please state the name(s) of the entity(ies) who perform the financial audit.

Ernst & Young AG

AGC: 15b

Please list the date of your last financial audit performed by an Audit Firm, Regulatory Authority, or other external party:

21/04/2023

AGC: 15c

Please list the period that the audit covered:

Start date: 01/01/2022
End date: 31/12/2022

AGC: 15d

How frequently does the financial audit occur?

○ Two or more times a year
● Annually
○ Less than annually

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AGC: 15e

If less than annually, please explain:

AGC: 15f

Are the results of the financial audit publicly available?

◯ Yes   ⦿ No

AGC: 15g

Please select the statement that most accurately characterizes the results of the last financial audit:

⦿ No material exceptions found.
◯ Minor exceptions found.
◯ Material exceptions found.

AGC: 15h

If minor or material exceptions were found, what actions were taken? Please describe:

AGC: 16

Is an operational audit performed by an Audit Firm, Regulatory Authority, or other external party?

⦿ Yes   ◯ No

AGC: 16a

If yes, please state the name(s) of the entity(ies) who perform the operational audit.

Ernst & Young AG

AGC: 16b

Please list the date of your last operational audit performed by an Audit Firm, Regulatory Authority, or other external party:

27/04/2023

AGC: 16c

Please list the period that the audit covered:

Start date: 01/01/2022
End date: 31/12/2022

SDX
a SIX company

AGC: 16d

How frequently does the operational audit occur?

○ Two or more times a year
◉ Annually
○ Less than annually

AGC: 16e

If less than annually, please explain:

AGC: 16f

Are the results of the operational audit publicly available?

○ Yes　　◉ No

AGC: 16g

Please select the statement that most accurately characterizes the results of the last operational audit:

○ No material exceptions found.
○ Minor exceptions found.
◉ Material exceptions found.

AGC: 16h

If minor or material exceptions were found, what actions were taken? Please describe:

Not Applicable

AGC: 17, 17q

PARTICIPANTS AND PARTICIPATION. The purpose of this section is to understand issues relating to participation in the CSD, including eligibility requirements, conditions of participation, and supervision of participants. What types of entities are eligible to become participants and how many of each type are there currently?

☑ Foreign Institutions
☑ Brokers
☐ Individuals
☐ Not applicable
☑ Banks
☑ Other: Clearing houses, administrative units governed by public law, other organizations active in

SD∆
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AGC: 17a

How many Bank participants are there currently? (then please answer 17b).

11 members are onboarded on SDX CSD

AGC: 17b, 17d

Please select the features included in the eligibility requirements for Banks.

☑ Regulatory Oversight
☐ Market Experience
☐ Financial Thresholds
☐ Other:

AGC: 17c

Where can a description of the specific eligibility requirements for Bank participants be found?

The participation requirements are governed by art. 2 GTC SDX which are publicly disclosed and can be found under the link below: https://www.sdx.com/wp-content/uploads/2023/02/SDX-GTC-April-2023-1.pdf

AGC: 17d

Please explain:

Participants may be legal entities commercially active in securities trading or settlement for third par ties, as:

a) banks in accordance with the Swiss Banking Act (BA);

b) foreign banks that are subject to an adequate degree of regulation and supervision as well as adequate money laundering regulations and supervision at the time of their admission as par ticipants and during their period of participation;

c) securities firms as defined by the provisions of the Swiss Federal Act on Financial Institutions (FinIA);

d) foreign securities firms that are subject to an adequate degree of regulation and supervision as well as adequate money laundering regulations and supervision at the time of their admission as participants and during their period of participation;

e) central counterparties recognized as such in accordance with the law of their countries of dom icile as well as central securities depositories which are subject to an adequate degree of regu lation and supervision as well as adequate money laundering regulations and supervision at the time of their admission and for the entire duration of their participation;

f) the Swiss National Bank (SNB) and other central banks of states with adequate money laundering regulations (in particular with domicile in a member state of the Financial Action Task Force on Money Laundering (FATF)) and not with domicile in a state being on the country blacklist of SIX Group);

g) other organizations active in the settlement, safekeeping or booking of securities, in particular settlement organizations, stock exchanges and nominee companies that are subject to an adequate degree of regulation and supervision as well as adequate money laundering regulations and supervision at the time of their admission as participants and during their period of participation;

There are no restrictions for participants with respect to the services provided by SDX Participants must meet cumulative the following requirements:

a) signing of the Service Agreement of SDX;

b) signing of the Access Agreement and the Hosting Agreement of SDX;

c) maintenance of a CHF account with SIX Interbank Clearing AG (SIC) and/or a correspondent institution that is a SIC member, thereby guaranteeing the tokenization of CHF and subsequent settlement of the cash side;

d) fulfillment of the technical and operational requirements as set out in the rules & regulations in accordance with section 16 GTC;

e) at the time of acceptance as a participant, the participant shall neither be listed as a sanctioned person by any governmental or supranational authority imposing economic sanctions or embargoes (e.g. the United Nations, the European Union, the Swiss State Secretariat for Economic Affairs, the Office of Foreign Assets Control of the US Department of Treasury, the UK Office of Financial Sanctions Implementation of the HM Treasury), nor be controlled directly or indirectly for more than 50% by a person sanctioned by those authorities, nor is it domiciled in a state or territory subject to regional sanctions by any of those authorities, nor does it, during its participation, engage in economic activities covered by a sanction or embargo imposed by any such authority. The participant immediately notifies SDX of any substantial sanction-relevant facts concerning it, e.g. if the participant or the person directly or indirectly controlling it has been put on a sanctions list of the governmental or supranational sanctioning authority mentioned above. SDX is entitled, at its own discretion and with immediate effect, to restrict a participant's participation to a scope determined by itself or to terminate such participation, if freedom from sanctions in the aforementioned sense is no longer given.

f) submission of an application for admission as a participant.

g) no entity has a right to be a participant. SDX grants or denies admission at its own discretion.

h) the participant is obliged to inform SDX about all relevant developments influencing the participation in general or individual services provided by SDX. In case of doubt the participant has to inform SDX.

AGC: 17e

How many Broker participants are there currently? (then please answer 17f).

None

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AGC: 17f, 17h

Please select the features included in the eligibility requirements for Brokers.

- ☐ Financial Thresholds
- ☐ Market Experience
- ☑ Regulatory Oversight
- ☐ Other:

AGC: 17g

Where can a description of the specific eligibility requirements for Broker participants be found?

The participation requirements are governed by art. 2 GTC SDX which are publicly disclosed and can be found under the link below: https://www.sdx.com/wp-content/uploads/2023/02/SDX-GTC-April-2023-1.pdf

AGC: 17i

How many Individual participants are there currently? (then please answer 17j)

AGC: 17j

Please select the features included in the eligibility requirements for Individual participants.

- ☐ Market Experience
- ☐ Regulatory Oversight
- ☐ Financial Thresholds
- ☑ Other: Not Applicable

AGC: 17k

Where can a description of the specific eligibility requirements for Individual participants be found?

AGC: 17m

How many Foreign Institution participants are there currently?

2

AGC: 17n, 17p

Please select the features included in the eligibility requirements for Foreign Institution participants.

- ☐ Financial Thresholds
- ☑ Regulatory Oversight
- ☐ Market Experience
- ☐ Other:

AGC: 17o

Where can a description of the specific eligibility requirements for Foreign Institution participants be found?

The participation requirements are governed by art. 2 GTC SDX which are publicly disclosed and can be found under the link below: https://www.sdx.com/wp-content/uploads/2023/02/SDX-GTC-April-2023-1.pdf

AGC: 17q

If you have selected "Other entities" above, please explain:

Not Applicable

AGC: 17r

Indicate how many "Other entities" are currently participants?

Not Applicable

AGC: 17s, 17u

Please select the features included in the eligibility requirements for the participants referred to above as "Other entities".

☐ Financial Thresholds
☐ Regulatory Oversight
☐ Market Experience
☑ Other: Not Applicable

AGC: 17t

Where can a description of the specific eligibility requirements for participants described above as "Other entities" be found?

AGC: 18

Are participants required to contribute capital to the CSD that would result in ownership of the CSD?

◯ Yes   ◉ No   ◯ Not applicable

AGC: 18a

If yes, what fixed amount is required or what formula is used to determine the appropriate contribution level?

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AGC: 19

Are prospective participants subject to an initial review and approval process regarding compliance with eligibility requirements?

◉ Yes   ○ No   ○ Not applicable

AGC: 20

What governs the relationship between the CSD and the participants?

☑ Rules of the CSD
☑ Relevant law and regulation
☐ Not applicable
☐ By-laws of the CSD
☑ Standard participation contract
☑ Established terms and conditions of participation
☐ Other:

AGC: 20

What governs the relationship between the CSD and the participants?

The Conditions for participation are governed by art. 3 GTC SDX. An important requirement for participation is that they are subject to an adequate degree of regulation and supervision as well as money laundering regulations.

Participants must meet cumulative the following requirements:

a) signing of the Service Agreement of SDX;

b) signing of the Access Agreement and the Hosting Agreement of SDX;

c) maintenance of a CHF account with SIX Interbank Clearing AG (SIC) and/or a correspondent institution that is a SIC member, thereby guaranteeing the tokenization of CHF and subsequent settlement of the cash side;

d) fulfillment of the technical and operational requirements as set out in the rules & regulations in accordance with section 16 GTC;

e) at the time of acceptance as a participant, the participant shall neither be listed as a sanctioned person by any governmental or supranational authority imposing economic sanctions or embargoes (e.g. the United Nations, the European Union, the Swiss State Secretariat for Economic Affairs, the Office of Foreign Assets Control of the US Department of Treasury, the UK Office of Financial Sanctions Implementation of the HM Treasury), nor be controlled directly or indirectly for more than 50% by a person sanctioned by those authorities, nor is it domiciled in a state or territory subject to regional sanctions by any of those authorities, nor does it, during its participation, engage in economic activities covered by a sanction or embargo imposed by any such authority. The participant immediately notifies SDX of any substantial sanction-relevant facts concerning it, e.g. if the participant or the person directly or indirectly controlling it has been put on a sanctions list of the governmental or supranational sanctioning authority mentioned above. SDX is entitled, at its own discretion and with immediate effect, to restrict a participant's participation to a scope determined by itself or to terminate such participation, if freedom from sanctions in the aforementioned sense is no longer given.

f) submission of an application for admission as a participant.

g) no entity has a right to be a participant. SDX grants or denies admission at its own discretion.

h) the participant is obliged to inform SDX about all relevant developments influencing the participation in general or individual services provided by SDX. In case of doubt the participant has to inform SDX

AGC: 21

Rule 17f-7 requires that an Eligible Securities Depository holds assets for the custodian that participates in the system on behalf of the Fund under safekeeping conditions no less favorable that the conditions that apply to other participants. Please confirm that assets of foreign investors held by custodians as participants in the CSD are held under safekeeping conditions no less favorable than the conditions that apply to other participants.

◉ Yes   ○ No   ○ Not applicable

AGC: 21a

If no, other or not applicable, please explain:

AGC: 21b, 21c

Please confirm the basis for the arrangements you have in place to ensure that the assets you hold for custodians receive the same level of safekeeping protection as the assets held for other categories of participants.

☐ Standard participation contract
☐ Rules of the CSD
☐ Relevant Law and Regulation
☐ By-laws of the CSD
☐ Established terms and conditions of participation
☑ Other: SDX uses the same (standard) contractual agreements for all categories of participants.

AGC: 21d

For each item in Question 21b that you checked, please briefly supply references or citations to the law(s), regulation(s), or CSD rule(s), participation condition(s), or participant contract provision (s), as applicable.

Neither the law nor SDX contractual agreements make any difference with regard to the category of participation.

AGC: 22

How does the CSD notify participants of material changes to the conditions of participation?

- ☐ Not applicable
- ☑ By e-mail
- ☐ By telephone
- ☑ By public announcement
- ☐ By press release
- ☑ Other: In writing

AGC: 22a

Please explain:

The type of communication depends on the document to be amended.

AGC: 23

Who enforces compliance with the CSD's conditions of participation?

- ☐ The exchange
- ☐ Not applicable
- ☐ The CSD's regulator
- ☑ The CSD
- ☐ Other:

AGC: 23a

Please explain:

1st Line of Defense: Relationship Manager (RM) is responsible for a first review that client meets the eligibilty requirements, as well as subsequent reviews throughout the duration of the business relationship.
2nd LoD: Compliance controls the activities of the RM
3rd LoD: SIX internal audit verifies that Compliance controls are effective.

AGC: 24

What enforcement actions are available to the enforcement authority?

- ☑ Termination of participation
- ☐ Fines
- ☐ Not applicable
- ☐ Restrictions on participation
- ☑ Suspension of participation
- ☐ Other:

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AGC: 24a

Please explain:

1st Line of Defense: Relationship Manager (RM) is responsible for a first review that client meets the eligibilty requirements, as well as subsequent reviews throughout the duration of the business relationship.
2nd LoD: Compliance controls the activities of the RM
3rd LoD: SIX internal audit verifies that Compliance controls are effective.

AGC: 25

Has there been any such enforcement actions in the last three years?

◯ Yes   ⦿ No

AGC: 25a

If yes, please explain, including information relative to any suspensions of CSD participants:

AGC: 26

CSD FUNCTIONALITY AND SERVICES, USE OF AGENTS. Certain functionalities and services reduce risk to an investor if provided in an efficient manner. The purpose of this section is to identify those functionalities that may potentially be offered by depositories and clearing systems around the world, and ascertain whether they are offered by your institution. For which of the following security types do you serve as a CSD or clearing system?

☐ Corporate money market
☐ Not applicable
☑ Corporate bonds
☑ Equities
☑ Government securities
☐ Other:

AGC: 26a

Please name the other security types:

Not Applicable

AGC: 27a (I)

Please list the instrument types for which it is not compulsory by law to: (I)settle in your CSD

None

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AGC: 27a (II)

(II) safekeep in your CSD:

None

AGC: 27b (I)

Please list the instrument types for which it is not compulsory by market practice to: (I)settle in your CSD

None

AGC: 27b (II)

(II) safekeep in your CSD:

None

AGC: 27, 27c

Is the use of the CSD in your market compulsory by law or compulsory by market practice for the settlement or safekeeping of all instrument types in your market (e.g. equities, government securities, corporate bonds, money market instruments, warrants, derivatives etc).

- ☐ Yes by market practice for safekeeping, but not for all instrument types
- ☑ Neither
- ☐ Yes by law for safekeeping, but not for all instrument type
- ☐ Yes by market practice for settlement, but not for all instrument types
- ☐ Yes by law for settlement, but not for all instrument types
- ☐ Yes by market practice for safekeeping of all instrument types
- ☐ Yes by market practice for settlement of all instrument types
- ☐ Yes by law for settlement of all instrument types
- ☐ Yes by law for safekeeping of all instrument types
- ☐ Other:

AGC: 28 28a

Settlement and Safekeeping Percentages 28a Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) settled within your institution, exclusive of your links with third parties.

Bonds:
- In the primary market of domestic CHF-denominated bonds, 1% of the instructions settled within SDX in 2023
- In the secondary market of domestic CHF-denominated bonds, 0% of the instructions settled within SDX in 2023
Equities: 0%

AGC: 28b

Please list by instrument type the percentage of the total market in your jurisdiction (either volume or value) held in safekeeping within your institution.

Bonds:
- Safekeeping: 1% of the domestic CHF-denominated bonds issued in 2023 are held with SDX.

Equities: 0%

AGC: 29 29i

Are there any activities performed by a third party on behalf of the CSD for the CSD participants (e.g., vaulting of physical securities, registration, entitlement processing, etc.)?

◯ Yes ⦿ No ◯ Not applicable ◯ Other:

AGC: 29a

If third parties are employed, please indicate which services they supply:

AGC: 29b

If third parties are employed, does the CSD assume liability for losses incurred by participants as a result of the actions/inactions of the third parties?

◯ Yes ◯ No

AGC: 29c, 29e

If you acknowledge responsibility, please indicate whether your responsibility is assumed

☐ if the loss was caused by the willful default or other willful conduct on the part of the agent
☐ if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be gross negligence on the part of the agent
☐ if such loss was caused by the agent's action or inaction and such action or inaction was deemed to be negligence on the part of the agent
☐ regardless of whether such loss was caused by any action or inaction of the agent
☐ Other:

AGC: 29f

Please specify limit:

AGC: 29g

Please specify limit:

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AGC: 29d, 29h

If you acknowledge responsibility for agents, your responsibility is assumed for losses

- ☐ without limit
- ☐ which are not consequential losses
- ☐ subject to a monetary limit not based on insurance limits
- ☐ subject to a monetary limit based on insurance limits
- ☑ Other: Not applicable

AGC: 30, 30m

Has any participant suffered any losses in the past three years due to the CSD's performance?

○ Yes   ⦿ No   ○ Not applicable

AGC: 30a, 30j

If yes, please select all of the following in which loss has occurred. You will be prompted to enter the number of instances and total loss in USD thereafter.

- ☐ System Outage
- ☐ Corporate Action
- ☐ Settlement Process - Securities
- ☐ Settlement Process - Cash
- ☐ Other:

AGC: 30b

Corporate Action. Please specify number of instances:

AGC: 30c

Corporate Action. Please specify total loss in USD:

Not applicable

AGC: 30d

Settlement Process - Securities. Please specify number of instances:

AGC: 30e

Settlement Process - Securities. Please specify total loss in USD:

Not applicable

AGC: 30f

Settlement Process - Cash. Please specify number of instances:

AGC: 30g

Settlement Process - Cash. Please specify total loss in USD:

Not applicable

AGC: 30h

System Outage. Please specify number of instances:

AGC: 30i

System Outage. Please specify total loss in USD:

Not applicable

AGC: 30k

For Other, please specify number of instances:

Not applicable

AGC: 30l

For Other, please specify total loss in USD:

Not applicable

AGC: 31

Who accepts cash deposits (or makes payment credit accommodations) for CSD transactions?

☐ Not applicable
☑ Banks appointed by CSD
☑ Central Bank
☐ Neither or others (e.g. credit lines used)
☑ CSD
☐ Other:

AGC: 31a

Please indicate the name of the banks appointed by the CSD.

For Swiss Franc we have appointed the Swiss National Bank, and for Euro we have appointed the Swiss Euro Clearing Bank SECB

AGC: 32

Who processes cash clearing (or draws on credit lines, if applicable) for CSD transactions?

- ☐ Central Bank
- ☐ Neither or others (e.g. credit lines used)
- ☐ Not applicable
- ☑ CSD
- ☐ Banks appointed by the CSD
- ☐ Other:

AGC: 32a

Please name banks appointed by the CSD.

AGC: 33a

Please name banks appointed by the CSD.

Not applicable

AGC: 33, 33b

Who controls the movement of cash for cash deposits (or draws on credit lines, if applicable)?

- ☐ Not applicable
- ☐ Neither or others (e.g. credit lines used)
- ☑ Banks appointed by CSD
- ☑ Central Bank
- ☑ CSD
- ☐ Other:

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AGC: 34

Who controls the movement of cash for cash clearing (or for draws on credit lines, if applicable)?

- ☑ CSD
- ☐ Central Bank
- ☐ Banks appointed by CSD
- ☐ Neither or others (e.g. credit lines used)
- ☐ Not applicable
- ☐ Other:

AGC: 34a

Please name banks appointed by CSD.

AGC: 35

Please indicate services you provide.

- ☐ Information on distribution of new issues (IPO, Privatization).
- ☑ Same day turnaround settlements.
- ☐ Own list or: AGC: Information in advance on corporate (annual or special) meetings in order
- ☐ that owners can vote.
- ☐ Not applicable
- ☐ Tax assistance where foreign holders may be entitled to tax relief at source or through a claim.
- ☐ In order to avoid fails, an automatic securities lending facility - if requested - is provided for.
- ☐ Collateral handling in support of activities including securities lending, overdraft coverage, cash management,repurchase agreements, etc.
- ☑ Other: Handling of Corporate Actions

AGC: 35a

Automatic securities lending facility is provided for:

- ☐ Other financial institutions
- ☐ Banks
- ☐ Brokers
- ☐ Other:

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AGC: 35c

Summary narrative for PFMI Principle 5. Please provide a summary narrative disclosure with sufficient detail and context, as well as any other appropriate supplementary information, to enable readers to understand the CSD's approach to or method for observing the principle. Please use the following questions as guidance for the points of focus and level of detail it is expected to convey in the disclosure. Cross references to publicly available documents should be included, where relevant, to supplement the discussion.)

Not applicable

AGC: 35c

If collateral handling, please provide details

AGC: 35d

Other, please explain:

AGC: 36

What procedures are in place for the processing of corporate action entitlements?

- ☐ Credited to the securities account on the day indicated below regardless of whether actually collected by the CSD on the scheduled date.
- ☑ Not applicable
- ☐ Corporate action entitlements are handled by an entity separate from the CSD.
- ☐ Credited to the securities account upon actual receipt by the CSD.
- ☐ Other:

AGC: 36a

Credited to the securities account:

- ☐ On pay date +1.
- ☑ On pay date.
- ☐ On pay date +2.
- ☐ Other:

AGC: 36c

Name of entity:

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AGC: 37a

Credited to the cash account:

- [ ] On pay date +1.
- [x] On pay date.
- [ ] On pay date +2.
- [ ] Other:

AGC: 37c

Name of entity:

AGC: 37a

Credited to the cash account:

- [ ] Income and dividend collection is handled by an entity separate from the CSD.
- [ ] Not applicable
- [ ] Credited to the cash account on the day indicated below regardless of whether actually col-
- [ ] lected by the CSD on the scheduled date.
- [x] Credited to the cash account upon actual receipt by the CSD.
- [ ] Other:

AGC: 38

Please list all depositories or settlement systems to which you have an electronic link.

SIX SIS AG

AGC: 39

Are procedures and controls (firewalls) in place to avoid systemic collapse or contamination if one of the linked entities should experience business interruptions for whatever reason?

(•) Yes   ( ) No   ( ) Not applicable

AGC: 39a

Please explain:

Antivirus is installed on servers, workstations and laptops and updated regularly on automated basis. There are currently numerous tools in place which are supposed to not only detect but also protect against attacks like Next Generation Firewalls with IDS (Intrusion Detection System) capabilities, Web Application Firewalls with IDS functionality, filtering mechanisms generally on presentation layers, etc. In addition to the monitoring at the zone boundaries, neuralgic points are monitored.

AGC: 40

Please explain:

◯ Yes   ◯ No   ◯ Not applicable   ◯ Other

AGC: 40a

If no or other, please explain

AGC: 41

Are participants permitted to maintain more than one account at the CSD?

◉ Yes   ◯ No   ◯ Not applicable

AGC: 41a, 41c

If yes, please indicate number:

☑ An unlimited number of accounts
☐ More than one account
☐ Other:

AGC: 41b

If more than one account what is the maximum?

AGC: 42

Are participants required/permitted to segregate assets held for their own benefit from those they hold for their clients?

◉ Yes   ◯ No   ◯ Not applicable   ◯ Other

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AGC: 42a

If yes, is segregation required or simply permitted?

◉ Required   ◯ Permitted

AGC: 42b, 42c

How does segregation occur?

☐ By sub-accounts within a single participant account.
☑ By separately designated participant accounts.
☐ By separately designated beneficial owner accounts.
☐ Other:

AGC: 43, 43b

Does the CSD permit its participants to open accounts in the participant's own nominee name(s)?

◉ Yes   ◯ No   ◯ Not applicable

AGC: 43a

If yes, do laws exist, which define as well as protect the rights of beneficial owners with respect to securities registered in nominee name?

◉ Yes   ◯ No

AGC: 44a

In the event a participant's single or main account is blocked for any reason (e.g., insolvency, penalties, violations, liens), would securities held in any account or accounts on behalf of the participant's clients be accessible: By the participant's clients?

◉ Yes   ◯ No   ◯ Not applicable

AGC: 44b

If yes, please describe briefly how clients of participants would access their securities and whether there would be any delay in their ability to do so:

In case of bankruptcy of a participant, securities can be segregated subject to procedures defined in Swiss Dept Enrocement and Bankruptcy Law.

AGC: 44d

By the intervening authorities controlling insolvency or other proceedings?

◉ Yes   ◯ No   ◯ Not applicable

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AGC: 44e

If yes, please describe briefly under what conditions access would be granted to the intervening authorities:

Access by authorities controlling insolvency is only possible via the procedures defined in Swiss Debt Enforcement and Bankruptcy Law.

AGC: 44h

If yes, please describe briefly under what conditions access would be granted to the participant's creditors:

AGC: 44g, 44i

By the participant's creditors?

◯ Yes   ⦿ No   ◯ Not applicable

AGC: 44j

By the CSD's creditors?

◯ Yes   ⦿ No   ◯ Not applicable

AGC: 44k

If yes, please describe briefly under what conditions access would be granted to the CSD's creditors:

AGC: 45

In what form does the CSD maintain records identifying the assets of each participant?

☑ Computer tape
☑ Computer file
☐ Hard copy
☐ Microfiche
☐ Other:

AGC: 45b

In which format is the source data maintained?

The retention of data is in line with legal and business requirements. Data is maintained online for a certain period of time before being backed up to an archival database for two years. After two years the archived data is backed up onto tapes and can be retrieved upon request. The time span depends on the type of data. The archival database can be viewed via screens. System log files usually have a retention period of two years, whereas application log files are retained much longer (according to Swiss regulatory at least ten years).

AGC: 46

Rule 17f-7 requires that an Eligible Securities Depository provides periodic reports to its participants with respect to its safekeeping of assets, including notices of transfers to or from any participant's account. Does the CSD make available periodic safekeeping reports to participants, including notices of transfers to or from the participant's account?

⦿ Yes   ◯ No

AGC: 46a

If no or other, please explain

AGC: 46b, 46c

If yes, please indicate the scheduled frenquency:

☐ Annually
☐ Quarterly
☐ Monthly
☐ Weekly
☑ Daily
☐ Upon request
☐ Other:

AGC: 47, 47a

What is your document and record retention policy for documents and records described above in this section?

☐ 6 months or less
☐ 1 year
☐ 3 years
☐ 5 years
☐ 7 years
☑ Other: 10 years by law

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AGC: 48

The Committee on Payment and Settlement Systems of the Bank for International Settlements (BIS) has identified three common structural approaches or models for linking delivery and payment in a securities settlement system. Please indicate which model your procedures most closely resemble.

- ☐ Not applicable
- ☐ Model 3
- ☐ Model 2
- ☑ Model 1
- ☐ Other:

AGC: 48a

Please briefly describe your settlement process, including how do your settlement procedures vary from the model chosen above?

Model 1: SDX operates a strict SFIDVP-Settlement system (simultaneous, final, irrevocable, delivery versus payment). For the money settlement part settlement happens through money accounts held at in SDX

AGC: 49

Are the cash and security movements simultaneous?

◉ Yes   ○ No   ○ Not applicable

AGC: 49a

If cash and security movements are not simultaneous, please indicate the duration of the timing gap

- ☐ 1 hour
- ☐ 2 hours
- ☐ 3 hours
- ☐ 4 hours
- ☐ 5 hours
- ☐ Overnight
- ☐ 2 days
- ☑ Other: Not applicable

AGC: 50, 50a

How are CSD eligible securities held by the CSD?

- ☑ In dematerialized form
- ☐ In certificated form
- ☐ Other

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AGC: 51

If CSD eligible securities are certificated, can CSD eligible securities be held outside of the CSD?

- ☐ All eligible securities must be held in the CSD
- ☐ Securities may move freely into and out of the CSD
- ☐ Once entered into the CSD, eligible securities must remain in the CSD
- ☐ Certain designated securities may be held outside the CSD
- ☑ Not applicable

AGC: 51a

If certain designated securities are held outside the CSD, please indicate under which conditions these securities would be held outside the CSD:

AGC: 51b

If CSD eligible securities are required to be centrally immobilized at the CSD, where and with whom are the certificates safekept? (then please answer 51c).

AGC: 51c

Are these certificates:

- ☐ Bearer
- ☐ Registered
- ☑ Other: Not Applicable

AGC: 51d

If registered, how are the CSD eligible securities registered?

- ☐ In the name of the CSD
- ☐ In the name of the depositing participant or its nominee
- ☐ In the name of a separate nominee of the CSD
- ☐ Other: Not Applicable

AGC: 51f

If in the name of a separate nominee, please identify by name the nominee used:

AGC: 51h

If CSD eligible securities may be held either in or out of the CSD, are these certificates:

- ☐ Bearer
- ☐ Registered

AGC: 51i

What are the control features for receipt of certificates to the CSD (e.g., authentication procedures, re-registration)? Please describe:

AGC: 52

If securities are dematerialized: May dematerialized security positions be re-certificated and held outside the CSD?

◉ Yes   ◯ No   ◯ Not applicable

AGC: 52a, 52k

Are the securities held:

☑ Through book-entry at the CSD
☐ Through book-entry at a registrar or issuer
☐ Other:

AGC: 52b

Please identify which types of entities may act as registrars:

☐ Issuers
☐ Separate companies that perform registrar functions
☐ CSDr
☐ Other:

AGC: 52d

If the securities held by the CSD are recorded by book entry at the registrar, are the securities registered only to the CSD, with the CSD providing the function of recording ownership on a centralized basis for the market?

◯ Yes   ◉ No

AGC: 52e

If yes, how are securities held at the registrar for the account of the CSD?

☐ In the name of the CSD
☐ In the name of a separate nominee of the CSD

AGC: 52f

Please describe:

Not Applicable

AGC: 52g

If the securities held with the CSD are recorded by book-entry at the registrar but are not registered exclusively to the CSD, may they be registered to:

☐ The beneficial owner

☐ A nominee

☑ Other: Please note that in the Swiss market, securities are usually registered in the final beneficiary owner's name in the company's share register. SDX manages registered shares per participant and has no knowledge of the name of the shareholders.

AGC: 52h

Please describe:

Please note that in the Swiss market, securities are usually registered in the final beneficiary owner's name in the company's share register. SDX manages registered shares per participant and has no knowledge of the name of the shareholders.

AGC: 52i

If the securities held with the CSD are recorded by book-entry at the registrar, what are the control features at the registrar for transfer of registrar positions to and from the CSD (e.g., authentication procedures, reconciliation, confirmation of position at registrar)? Please describe:

SDX is not an official registrar and registered shares are not registered at SDX.

AGC: 53

Does the CSD maintain records that identify the assets of each participant and segregate the system's own assets from the assets of participants?

○ No　　◉ Yes　　○ Not applicable　　○ Other:

AGC: 53a

If answer to question 'G23Q031' is other or not applicable, please explain.

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AGC: 54

Does the law protect participant assets from claims and liabilities of the CSD?

◉ Yes   ◯ No   ◯ Not applicable

AGC: 55

Can the CSD assess a lien on participant accounts? (A lien would entitle the CSD to take and hold or sell the securities of the participant in payment of a debt.).

◉ Yes   ◯ No   ◯ Not applicable

AGC: 55a

If yes, for what reasons are liens or similar claims imposed?

☐ To secure payment for purchased securities
☐ Collateralization of overdrafts
☑ Fees and expenses
☐ Other:

AGC: 55b

Please describe:

Please note the differences between the right of retention (Art. 35 GTC SDX), the right to pledge the participants own securities assets and money claims of the participant (Art. 36 GTC SDX) and the right to set-off (Art. 37 GTC SDX): SDX shall be entitled to retain and foreclose on client custody assets of the participants only when a debt owed by the participant arises out of the custody of the securities (i.e. custody fees). SDX is entitled to a lien and foreclosure on all securities held in custody or booked for the participant as the participant's own holdings and on money claims of the participant against SDX. Therefore, SDX has no right to charge security interest, make participant's securities accounts subject to any lien, right of retention or claim of any kind, other than a lien attached to the participant's own account deposited as security for fees reasonably arising from safekeeping and administration of services.

AGC: 55c

Please indicate the limits of this lien as indicated below:

☑ The lien is limited to securities in the participant's proprietary account.
☐ The lien is limited to securities in the course of purchase and sale transactio.
☐ The lien may extend to settled client positions.

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AGC: 55d

Please explain:

AGC: 55e

If a lien is placed on a participant's account which has been designated for its clients, will the CSD select certain securities to be subject to the lien?

◯ Yes   ⦿ No

AGC: 55f

If yes, please indicate whether:

☐ The lien is placed on the most liquid securities in the account
☐ The lien is placed on the securities with the greatest value in the account

AGC: 55g

Please explain:

Not Applicable

AGC: 55h

If no, please indicate whether the entire account will be subject to the lien.

◯ Yes   ◯ No

AGC: 55j

For accounts designated as client accounts, do procedures exist to restrict the placement of liens only to obligations arising from safe custody and administration of those accounts?

⦿ Yes   ◯ No

AGC: 55k

If yes, are the restrictions accomplished by:

⦿ Contract between the CSD and the participant

AGC: 55l

Please explain:

SDX is entitled to a lien and foreclosure on all securities held in custody or booked for the participant as the participant's own holdings and on money claims of the participant against SDX.

AGC: 56, 56e

Transfer of Legal Ownership. Does the CSD have legal authority to transfer title to securities?

○ Yes　◉ No　○ Not applicable

AGC: 56a

When does title or entitlement to CSD securities pass between participants?

☐ At the end of the business day on which the transfer occurs
☐ When corresponding money or other consideration is transferred
☐ When the transaction is processed on an intra-day basis

AGC: 56b

Please describe:

Please refer to Art. 28 GTC

AGC: 56c

Where does title or entitlement to CSD securities pass between participants?

☐ On the CSD books
☐ On the registrars books

AGC: 56d

Please describe:

Not Applicable

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a SIX company

AGC: 57, 57a

How are eligible securities lodged in the CSD system?

- ☐ A registered certificate in the name of the CSD is delivered to the CSD.
- ☑ A participant delivers the security with a valid transfer deed or stock power or other transfer
- ☐ document to the CSD which then effects registration.
- ☐ A registrar re-registers the security in the name of the CSD.
- ☐ Not applicable
- ☐ Other:

AGC: 58, 58a

When are securities lodged into the CSD reflected in a participant's CSD account?

- ☐ Securities are re-registered prior to being reflected in the participant CSD account.
- ☐ Not applicable
- ☐ Securities are reflected in the participant's CSD account immediately upon delivery to the CSD.
- ☑ Other: Securities are reflected in the participant's CSD account immediately upon delivery to the CSD.

AGC: 59a

Please specify:

AGC: 59, 59b

How long does it usually take to lodge securities with the CSD?

- ☑ 1 to 2 days
- ☐ 3 days to 1 week
- ☐ 2 to 4 weeks
- ☐ More than 4 weeks
- ☐ Not applicable

AGC: 60

During the process of lodging securities into the CSD, can the securities be traded?

◉ Yes   ○ No   ○ Not applicable

AGC: 60a

During the process of lodging securities into the CSD, can the securities be settled?

◯ Yes ⬤ No ◯ Not applicable

AGC: 60b

During the process of lodging securities into the CSD, can the securities have ownership transferred?

◯ Yes ⬤ No ◯ Not applicable

AGC: 60c

If they cannot be traded, or if you answered other, please explain:

AGC: 60d

If they cannot be settled, or if you answered other, please explain:

SDX settles transactions on a true delivery versus payment basis. They will only settle if both securities and cash are available. Cash and securities will be booked simultaneously and irrevocably.

AGC: 60e

If ownership cannot be transferred, or if you answered other, please explain:

Positions must be definitely booked in the custody account before a transfer can be executed. Transfer instructions remain pending until sufficient cover is provided in the custody account.

AGC: 61a

If no: Securities are unavailable for:

☐ 1 to 2 days
☐ 3 days to 1 week
☐ 2 to 4 weeks
☐ More than 4 weeks
☐ Not applicable

AGC: 61b

If more than 4 weeks, please specify:

AGC: 61c

If not applicable, please explain:

Not Applicable

AGC: 61, 61d

Are securities immediately available for delivery upon transfer to the CSD?

(●) Yes   ( ) No   ( ) Not applicable

AGC: 62

Please describe briefly the arrangements / procedures / facilities you maintain to ensure that eligible securities held at the CSD are handled at least as efficiently as compared to securities held outside the CSD, particularly in relation to income, corporate actions and proxy services.

Eligible securities held at the CSD are handled the most efficient way possible. For the Swiss market, corporate action notification is always provided by the main paying agent (lead manager, paying agent or applying bank). The main paying agent undertakes to provide SDX, without delay, all necessary information on a specific security (corporate actions, distributions, etc.). All corporate action entitlements are processed by SDX on behalf of and in collaboration with the Swiss main paying agents.

AGC: 63, 63a

What transfer process steps are involved when eligible securities are withdrawn from the CSD for safekeeping?

- [ ] Securities are re-registered into the name of the beneficial owner or a nominee.
- [ ] Securities are re-certificated and re-registered into the name of the beneficia
- [ ] Securities are re-certificated and delivered as bearer instruments.
- [x] Securities are transferred as is any physical delivery in the market.
- [ ] Not applicable

AGC: 64a

If more than 4 weeks, please specify:

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AGC: 64, 64b

How long does it usually take to remove securities from the CSD?

☐ 1 to 2 days
☐ 3 days to 1 week
☐ 2 to 4 weeks
☐ More than 4 weeks
☐ Not applicable
☑ Other: Removal of securities happens instantly (atomic settlement)

AGC: 65a

While the securities are being removed from the CSD, can they be traded? (Choose one).

◯ Yes　　◯ No　　⦿ Not applicable

AGC: 65b

If they cannot be traded please explain:

AGC: 65c

While the securities are being removed from the CSD, can they be traded? (Choose one).

◯ Yes　　◯ No　　⦿ Not applicable

AGC: 65d

If they cannot be settled, please explain:

AGC: 65e

While the securities are being removed from the CSD, can they have ownership transferred? (Choose one).

◯ Yes　　◯ No　　⦿ Not applicable

AGC: 65f

If ownership cannot be transferred, please explain:

AGC: 66, 66a, 66d

Does the CSD accept liability (independent of any insurance coverage) for the following: Reconciliation errors with the registrar and/or the issuer that result in direct damages or losses to participants?

○ Yes   ○ No   ◉ Not applicable

AGC: 66b, 66c

If yes, please check all of the following that apply:

☐ Financial limits are imposed on the amount of liability assumed by the CSD
☐ The CSD assumes liability for indirect or consequential losses
☐ The CSD assumes liability for direct losses
☐ Other:

AGC: 66e, 66g, 66h

Theft of securities (either physical certificate or electronically from accounts at the CSD) from the CSD that results in direct damages or losses to participants?

◉ Yes   ○ No   ○ Not applicable

AGC: 66f

If yes, please check all of the following that apply:

☐ Financial limits are imposed on the amount of liability assumed by the CSD
☐ The CSD assumes liability for direct losses
☐ The CSD assumes liability for indirect or consequential losses
☑ Other: Liability subject to SDX's fault

AGC: 66i, 66l

Failure of the CSD's systems that result in direct damages or losses to participants because they cannot use either securities or funds?

◉ Yes   ○ No   ○ Not applicable

AGC: 66j, 66k

If yes, please check all of the following that apply:

☐ Financial limits are imposed on the amount of liability assumed by the CSD
☐ The CSD assumes liability for direct losses
☐ The CSD assumes liability for indirect or consequential losses
☑ Other: Liability subject to SDX's fault

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AGC: 66m, 66p

Any direct damages or losses to participants caused by the CSD due to its errors, omissions or fraud?

◉ Yes   ○ No   ○ Not applicable   ○ Other:

AGC: 66n

If yes, please check all of the following that apply:

☐ Financial limits are imposed on the amount of liability assumed by the CSD
☐ The CSD assumes liability for direct losses
☐ The CSD assumes liability for indirect or consequential losses
☑ Other: Liability subject to SDX's fault

AGC: 66q

Does the CSD accept liability (independent of any insurance coverage) for the following: Any direct damages or losses to participants caused by the CSD in its capacity as a central counterparty?

○ Yes   ○ No   ◉ Not applicable

AGC: 66r

If yes, please check all of the following that apply:

☐ Financial limits are imposed on the amount of liability assumed by the CSD
☐ The CSD assumes liability for direct losses
☐ The CSD assumes liability for indirect or consequential losses
☐ Other:

AGC: 66u

Does the CSD guaranty settlement?

○ Yes   ○ No   ◉ Not applicable

AGC: 66v

Please explain how this is accomplished. What are the procedures and safeguards that permit the CSD to guaranty settlement?

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AGC: 66x.

Any direct damages or losses to participants caused by the CSD as a result of force majeure events, acts of God, or political events, etc.?

◯ Yes ⦿ No ◯ Not applicable

AGC: 66y

If yes, please check all of the following that apply:

☐ The CSD assumes liability for indirect or consequential losses
☐ The CSD assumes liability for direct losses
☐ Financial limits are imposed on the amount of liability assumed by the CSD
☐ Other:

AGC: 66+

In all cases where the CSD assumes responsibility for direct or indirect or consequential losses, is the CSD's liability limited by a standard of care determination?

⦿ Yes ◯ No ◯ Not applicable

AGC: 66*

Please define the standard of care applied:

AGC: 67a, 67b

Do the CSD's written contracts, rules, or established practices and procedures provide protection against risk of loss of participant assets by the CSD in the form of indemnification?

☐ Not applicable
☐ Yes
☐ No
☑ Other: Liability subject to SDX's fault

AGC: 67b

Please explain (then please answer 67c):

AGC: 67c

Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

SIX Insurance Certificates attached.

AGC: 67d

Insurance:

- [ ] Not applicable
- [ ] Yes
- [ ] No
- [x] Other: Please refer to our response to question 67b.

AGC: 67e

Please explain (then please answer 67f):

AGC: 67f

Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

AGC: 67g

Acknowledgement of liability for losses caused by CSD's own actions.

(•) Yes   ( ) No   ( ) Not applicable

AGC: 67h

Please explain (then please answer 67i):

Please refer to our General Terms & Conditions, Art. 34. SDX shall not accept any liability for damage if, for reasons that are not its responsibility, it was hindered in the correct and punctual fulfillment of the contract.

AGC: 67i

Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

Please refer to our response to question 67h.

AGC: 67j

Other

( ) Yes   (•) No

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AGC: 67k

Please explain (then please answer 67l):

AGC: 67l

Please provide details of the relevant sections of the contracts, rules or practices where this information is found.

Please refer to Article 34 of the General Terms and Conditions. In general, SDX shall not accept any liability for damage that is not in its responsibility. Damages arising from illegible or not fully legible, forged or improper instructions shall be borne by the instructing participant. Furthermore, SDX shall not be liable for the behavior of third parties acting on its behalf if it has practiced due diligence in selecting, instructing and – where necessary – supervising them.

AGC: 68

Is the CSD immune from legal action in its own jurisdiction?

○ Yes   ● No

AGC: 69

Security Control. How do participants receive information (view actual settlement of trades, movement of securities on their accounts, etc.) and see the status of their accounts?

☐ Not applicable
☐ By receipt of physical account holding statements
☑ By direct electronic link
☐ Other:

AGC: 69a

Please explain:

Participants are invoked through iso messaging or can get information through the SDX portal.

AGC: 70

Do participants have access to affect their holdings, including confirming and affirming trades, movement of securities on their accounts, etc.?

● Yes   ○ No   ○ Not applicable

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AGC: 70a

How is access given to participants?

☑ By direct electronic link
☐ Other:

AGC: 70b

Please select type of electronic link:

☐ Secured, leased, dedicated telephone line
☐ Dial-up modem
☑ Internet
☐ Fax

AGC: 70c

Please explain:

Orders, messages or instructions from the participant to SDX and messages from SDX to the participant shall be sent online. If an online connection cannot be established, specific backup media set out in further rules & regulations.

AGC: 71, 71a

Regarding data security: Are passwords used by participants to access their accounts?

◉ Yes   ○ No   ○ Not applicable

AGC: 71c

Does each user have a unique user ID?

◉ Yes   ○ No   ○ Not applicable

AGC: 71e

Are passwords regularly changed?

◉ Yes   ○ No   ○ Not applicable

AGC: 70f

How often?

Passwords are changed every three months.

AGC: 71h

Is there a user lock-out after a pre-set number of unsuccessful User ID attempts?

◉ Yes   ○ No   ○ Not applicable

AGC: 70f

How many?

Three.

AGC: 72

Does the CSD communicate with other market entities such as stock exchanges, payment systems, clearing houses, etc., by secured linkages?

◉ Yes   ○ No   ○ Not applicable

AGC: 72a

Please explain:

SDX communicates with all market participants such as stock exchanges, payment systems, etc., by secured linkages.

AGC: 73, 73a

How does the CSD communicate with Stock Exchanges?

- ☐ Dial-up modem
- ☐ Paper
- ☐ Fax
- ☐ Not applicable
- ☑ Secured, leased, dedicated telephone line
- ☐ Internet
- ☐ Other:

AGC: 73b

How does the CSD communicate with Payment Systems?

- ☐ Dial-up modem
- ☑ Secured, leased, dedicated telephone line
- ☐ Internet
- ☐ Fax
- ☐ Paper
- ☐ Not applicable
- ☐ Other:

AGC: 73c

How does the CSD communicate with Clearing Houses?

- ☐ Dial-up modem
- ☐ Secured, leased, dedicated telephone line
- ☐ Internet
- ☐ Fax
- ☐ Paper
- ☑ Not applicable
- ☐ Other:

AGC: 73d

How does the CSD communicate with Registrars?

- ☐ Dial-up modem
- ☑ Secured, leased, dedicated telephone line
- ☐ Internet
- ☐ Fax
- ☐ Paper
- ☐ Not applicable
- ☐ Other:

AGC: 74

How is access to the physical building controlled?

- ☑ By guards
- ☑ By alarm system
- ☑ personal ID card
- ☑ By electronic keys
- ☐ Other:

AGC: 74a

Please explain:

The management of physical access is an essential part of integral security across SIX. In regular audits, compliance with the guidelines, which are coordinated with the Physical Security Officer, are checked. Videotaping and recording of access data are archived under consideration of the data privacy act. Access is restricted to authorized personnel. A personal security code in addition to the ID badge is needed to enter or leave a building before 7am and after 6pm as well as on weekends. Moreover, SIX has secured areas and these zones are subject to the strictest security measures.

AGC: 75

What are the vault security procedures for the safekeeping of physical paper?

☐ Fire alarms
☐ Intrusion alarms
☐ Vault counts
☐ Visitor logs
☐ Dual access control
☐ Electronic keys or combinations
☑ Not applicable, no vault is maintained
☐ Guards
☐ Other:

AGC: 75a

Please indicate frequency of vault counts:

AGC: 75b

Please explain:

Not Applicable

AGC: 76, 76d

Participant Default Protections Resulting from a Participant Failure. If a participant defaults, how is the loss covered? (Choose all that apply?)

☐ CSD insurance covers the loss
☐ The CSD guaranty fund covers the loss
☐ Loss is shared among participants
☐ Not applicable
☑ Other: Please refer to response to question 76d

AGC: 76a

Please explain the process:

AGC: 76b

Please explain the process of how the loss is shared:

☐ Equally, among participants
☐ Pro-rata based on participant's volume
☐ Limited to participants with transactions with failing counterparty

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AGC: 76b

Please explain the process of how the loss is shared:

Due to the atomic settlement mechanism (all parts of a transaction occur simultaneously and instantly), there are no pending or failing transactions . The participant to be debited must ensure that at the time of booking there is sufficient cover. If either cash or assets are not available atomic settlement will not take place. In relation to losses, SDX does not use a solidarity principle. SDX's default management procedure initially foresees loss prevention and mitigation measures through the suspension of the participant, freezing of all cash and securities accounts.

AGC: 77

During the past three years, has there been a situation where a participant defaulted which resulted in a significant loss?

◯ Yes   ⦿ No   ◯ Not applicable

AGC: 77a

How was the situation resolved? Or if you answered "Other," then please explain:

AGC: 78

Does the CSD have a guaranty fund independent of stock exchange or other market guarantees?

◯ Yes   ⦿ No   ◯ Not applicable

AGC: 78a

If yes, please respond to the following questions: What is the size of the fund?

AGC: 78b

How is the size of the fund determined?

☐ By participant volume
☐ By asset value
☐ A fixed amount

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AGC: 78b

How is the fund financed?

- ☐ Contributions from owner
- ☐ Contributions from participants
- ☐ Funding from retained earnings
- ☑ Other: Not Applicable

AGC: 78e

If so, what is the amount or percentage per owner?

AGC: 78f

If so, what is the amount or percentage per participant?

AGC: 78h

Who is covered by the fund?

- ☐ Direct CSD participants only
- ☐ The beneficial owner also
- ☑ Other: Not Applicable

AGC: 78j

When is the guaranty fund used?

- ☐ When a broker defaults
- ☐ When a direct participant defaults
- ☑ Other: Not Applicable

AGC: 79

Does the CSD have forms of oversight management for assessing and monitoring of the following?

- ☐ Collateral requirements for participants
- ☑ Blocking of securities movement before receipt of payment
- ☐ Other loss or default protections the CSD maintains
- ☐ Settlement controls that minimize or eliminate the risk of default by a participant
- ☐ Participant financial strength
- ☑ Blocking payment until securities are moved
- ☐ Not applicable
- ☐ Debit caps for participants
- ☐ Participant volumes
- ☑ Participant eligibility requirements
- ☐ Other:

AGC: 79a

Please explain other loss or default protections:

Loss or default protection is not applicable to SDX.

AGC: 79b

Please explain the requirements:

AGC: 79c

Please explain how these debit caps work:

AGC: 79d

What type or types of settlement controls.

- ☐ Blocking or freezing of securities positions
- ☐ Controlling DVP settlement
- ☐ Simultaneous DVP
- ☐ Other:

AGC: 79e

Please explain:

AGC: 79f

Please explain:

AGC: 79g

Please explain:

AGC: 79h

Please identify and explain:

AGC: 79i

Please explain briefly how these work:

AGC: 80

Does the stock exchange have default protections that extend to the CSD, such as the following?

- ☐ Margin requirements for stock exchange members
- ☐ Guaranty fund for stock exchange members
- ☐ Financial requirements for stock exchange membership
- ☐ No
- ☐ Not applicable
- ☑ Other: SDX CSD enables atomic settlement, which eliminates counterparty exposure and risk since the delivery and payment legs of the transaction occur simultaneously and instantly. The trading venue checks with the CSD if the participants have enough assets or cash available for the transaction before confirming it.

AGC: 80a

Please explain:

In relation to losses, SDX does not use a solidarity principle. SDX's default management procedure initially foresees loss prevention and mitigation measures through the suspension of the participant, freezing of all cash and securities accounts.

AGC: 81

BUSINESS RECOVERY PLAN. This section is intended to identify key aspects of the CSD's Business Recovery Plan (BRP), including testing requirements and past results, expected recovery time periods, and the independent review and validation (if any) of the BRP. Do you have a formal business recovery plan?

⦿ Yes ◯ No

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AGC: 81b

Please identify both the frequency and the last date of testing for the following third party: CSD participants/members.

SDX's Business Continuity Management guarantees smooth productive processes and uninterrupted business operations. Business continuity organization, business continuity procedures and the restart capability of components, applications, systems and infrastructures are regularly tested to ensure their operability. As part of these tests, the entire documentation is reviewed and, if necessary, corrected.

AGC: 81c

Please identify both the frequency and the last date of testing for the following third party: Stock exchange.

Tests are conducted with the stock exchanges on an annual basis. The restart of the required system components and applications was successfully tested in June 2022.

AGC: 81d

Please identify both the frequency and the last date of testing for the following third party: Central bank.

On instruction from SNB BCM tests (miniSIC) are conducted on an annual basis on SDX Payments infrastructure. The applications were successfully tested in June 2023.

AGC: 81e

Please identify both the frequency and the last date of testing for the following third party: Local brokers.

Any other third party Tests are conducted with any other third party on an annual basis. The restart of the required system components and applications was successfully tested in June 2022.

AGC: 81f

Please identify both the frequency and the last date of testing for the following third party: Any other third party.

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AGC: 81a, 81h

Does your Business Recovery Plan include:

- ☑ Back-up of all computer files
- ☑ Back-up files stored and locked
- ☑ Off-site operations facility
- ☑ Off-site data storage
- ☐ Other:

AGC: 82

How quickly can the main system be reactivated in the event of an outage?

- ☑ 1 - 4 hours
- ☐ 4 - 8 hours
- ☐ 8 - 24 hours
- ☐ Longer than 24 hours
- ☐ Not applicable

AGC: 83

If a back-up system exists, how quickly can the back-up system be activated in the event of the main system failing?

- ☑ 1 - 4 hours
- ☐ 4 - 8 hours
- ☐ 8 - 24 hours
- ☐ Longer than 24 hours
- ☐ Not applicable

AGC: 84

Will the CSD publicly announce any system interruption?

◉ Yes   ○ No   ○ Not applicable

AGC: 84a

To whom will the CSD disclose any system interruptions?

- ☑ To all direct participants
- ☑ To the CSD regulators
- ☑ To direct and indirect participants
- ☐ To the public via the internet
- ☐ In the press
- ☐ Other:

AGC: 84b

If so, please list webpage address:

AGC: 84c

If so, please list all publications:

AGC: 84d

Please explain:

SDX immediately notifies its customers and business partners in the event of an exceptional situation or crisis. In serious events and cases of damage, this information process is subject to the defined guidelines and processes. Customers are also notified of individual service disruptions in accordance with a defined severity and impact classification.

AGC: 84e

How will the CSD disclose any system interruptions?

☐ Public announcement
☑ By e-mail
☐ By telephone
☐ Press release
☐ Other:

AGC: 84f

Please explain:

SDX immediately notifies its customers and business partners in the event of an exceptional situation or crisis.

AGC: 85

In the past three years, has it been necessary to activate the recovery plan in a live situation?

◯ Yes   ◉ No   ◯ Not applicable

AGC: 85a

If yes, how much time was needed to implement the recovery plan?

☐ 1 - 4 hours
☐ 4 - 8 hours
☐ 8 - 24 hours
☐ Longer than 24 hours
☐ Not applicable

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AGC: 85b

How much time was needed to recover and restore business to normal operations?

- ☐ 1 - 4 hours
- ☐ 4 - 8 hours
- ☐ 8 - 24 hours
- ☐ Longer than 24 hours
- ☐ Not applicable

AGC: 85c, 85d

What was the impact to the market?

- ☐ As a result of the system failure, all fines and penalties for late settlements were waived
- ☐ All cash settlements took place more than one business day late
- ☐ All securities settlements took place more than one business day late
- ☐ All cash settlements took place one business day late with value one day late
- ☐ All securities settlements took place one business day late with value one day late
- ☐ All cash settlements took place one business day late with good value
- ☐ All securities settlements took place one business day late with good value
- ☐ Even though there was a system failure, all fines and penalties for late settlements were still assessed
- ☐ All cash settlements took place as scheduled on the same day with good value
- ☐ All securities settlements took place as scheduled on the same day with good value
- ☑ Other: Not Applicable

AGC: 86

Has there been any material loss by the CSD during the past three years?

○ Yes   ⦿ No   ○ Not applicable

AGC: 86a

If there has been a loss, please describe the cause, the final impact and the action taken to prevent a recurrence:

AGC: 87

Has the CSD been subject to any litigation involving a participant during the past three years?

○ Yes   ⦿ No   ○ Not applicable

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AGC: 87a

Please explain the circumstances and resolution:

AGC: 88, 88a

Has the CSD realized revenues sufficient to cover expenses during the past three years?

- ☐ Yes for all three years
- ☐ Yes for two of the last three years
- ☐ Yes for one of the last three years
- ☑ None of the last three years
- ☐ Not applicable

AGC: 89, 89b

Does the CSD maintain a reserve for operating losses?

◉ Yes　　○ No　　○ Not applicable

AGC: 89a

Please describe and indicate reserve (for operating losses) amount:

Please refer to our Annual Report (2022) where all reserve amounts are indicated (page 24)

AGC: 90

Has the regulatory body with oversight responsibility for the CSD issued public notice that the CSD is not in current compliance with any capital, solvency, insurance or similar financial strength requirements imposed by such regulatory body?

○ Yes　　◉ No　　○ Not applicable

AGC: 90a

Please describe:

AGC: 90b

In the case of such a notice having been issued, has such notice been withdrawn, or, has the remedy of such noncompliance been publicly announced by the CSD?

○ Yes　　○ No　　◉ Not applicable

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AGC: 90c

If yes, please describe:

AGC: 90d

If no, why not?

AGC: 91

Does the CSD have insurance to cover losses in the event of Default on settlement commitments by the CSD or a participant?

◯ Yes   ◯ No   ◯ Not applicable   ⦿ Other

Not applicable: SDX CSD enables atomic settlement, which eliminates counterparty exposure and risk since the delivery and payment legs of the transaction occur simultaneously and instantly. The trading venue checks with the CSD if the participants have enough assets or cash available for the transaction before confirming it.

AGC: 91a

What is the amount of the coverage?

AGC: 91b

What is the amount of the deductible?

AGC: 92

Does the CSD have Fidelity insurance (that is, insurance to cover loss of securities or money resulting, for example, from acts such as forgery, theft, fraud and/or employee dishonesty)?

⦿ Yes   ◯ No   ◯ Not applicable

AGC: 92a

What is the amount of the coverage?

SDX treats purchased insurance coverage in strict confidentiality and does not communicate any limits, deductibles or coverage in detail.

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AGC: 92b

What is the amount of the deductible?

SDX treats purchased insurance coverage in strict confidentiality and does not communicate any limits, deductibles or coverage in detail.

AGC: 93

Does the CSD have insurance for Operational Errors?

◉ Yes　　○ No　　○ Not applicable

AGC: 93a

What is the amount of the coverage?

Not Applicable; SIX treats purchased insurance coverage in strict confidentiality and does not communicate any limits, deductibles or coverage in detail.

AGC: 93b

What is the amount of the deductible?

SDX treats purchased insurance coverage in strict confidentiality and does not communicate any limits, deductibles or coverage in detail.

AGC: 94

Does the CSD have Errors and Omissions insurance?

◉ Yes　　○ No　　○ Not applicable

AGC: 94a

What is the amount of the coverage?

SDX treats purchased insurance coverage strictly confidential and does not communicate any limits, deductibles or coverage in detail.

AGC: 94b

What is the amount of the deductible?

SDX treats purchased insurance coverage strictly confidential and does not communicate any limits, deductibles or coverage in detail.

AGC: 95

Does the CSD have insurance for the Premises?

◉ Yes   ○ No   ○ Not applicable

AGC: 95a

What is the amount of the coverage?

SDX treats purchased insurance coverage strictly confidential and does not communicate any limits, deductibles or coverage in detail.

AGC: 95b

What is the amount of the deductible?

SDX treats purchased insurance coverage strictly confidential and does not communicate any limits, deductibles or coverage in detail.

AGC: 96a

If so, what is it for?

SIX has a Public and Office Liability Insurance policy from Liberty Mutual Insurance Europe, a Directors' & Officers' Liability insurance policy under Zurich Insurance Company and a Cyber Risk, Fraud and Indemnity insurance through XL Group. Further details of coverage can be seen in our Insurance Certificates attached. Unfortunately, we cannot state the level of insurance coverage due to confidentiality reasons.

AGC: 96b

What is the amount of the coverage?

We cannot provide any further insights. Please consider that SIX Digital Exchange as a subsidiary of SIX is covered by the group insurance policies. It is important to note that SIX has a strong capital structure which allows big losses and damages to be carried.

AGC: 96c

What is the amount of the deductible?

We cannot provide any further insights. Please consider that SIX Digital Exchange as a subsidiary of SIX is covered by the group insurance policies. It is important to note that SIX has a strong capital structure which allows big losses and damages to be carried.

AGC: 96, 96d

Does the CSD have any other insurance?

◉ Yes   ○ No   ○ Not applicable

AGC: 97

Who is the insurance carrier? If more than one insurance carrier, please list each carrier here and provide your responses to questions 97a and 97b in corresponding order.

Please refer to the attached insurance certificates under 98a.

AGC: 97a

Who is the insurance carrier's parent company, if applicable? (If inapplicable, simply type n/a.)

Please refer to the attached insurance certificates under 98a.

AGC: 97b

What is the term of the policy?

Please refer to the attached insurance certificates under 98a.

AGC: 97c, 97d

Who does the insurance cover?

☑ CSD
☐ Direct CSD participants
☐ Final investors
☐ Not applicable
☐ Other:

AGC: 98

If you feel that you would like to provide additional details on any of the given answers, feel free to provide any additional comments here (maximum of 5,000 characters) or prepare an additional document identifying the question(s) you are commenting on and upload the document under 98a:

SIX Digital Exchange is a subsidiary of SIX and is as such covered by the group insurance policies. Please note that the answers contained in the Questionnaire of the Association of Global Custodians are provided for information purposes only. Information in this document is subject to change and does not represent a commitment on the part of SIX Digital Exchange, or any other entity in the SIX Group of companies. SIX Digital Exchange, its subsidiaries and affiliates expressly disclaim liability for errors or omissions in the information contained in this document.

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AGC: 98a

filecount - Upload document here:

AGC: 99

The WFC, the AGC, CPMI and IOSCO encourage respondents to make their disclosure reports publicly available. Do you agree to make your response publicly available?

☑ Yes, my full response will be publicly available. I agree that my response can be published on the website of the WFC and on the website of the regional CSD association(s) which my CSD is a member of.

☐ Yes, my response will be public, but only for my answers to AGC questions.

☐ Yes, my response will be public, but only for my answers to PFMI questions.

☐ No, I do not wish my response to be publicly available.

AGC: 99a

How will you be making your answers publicly available?

☐ Upon request

☑ Website

☐ Other:

AGC: 99b

This disclosure can also be found at the following web address(es):

www.sdx.com

AGC: 99c

First and Last Name of the contact person:

Luca Rossini

AGC: 99d

How do you prefer to be contacted?

☐ mail/air courier

☐ Fax

☐ Telephone

☑ e-mail

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AGC: 99e

Telephone number (please include the international country code):

+41 58 508 32 46

AGC: 99f

Fax number:

Not Applicable

AGC: 99g

What is the preferred street address for mailing requests?

SIX Digital Exchange AG
Luca Rossini
Pfingstweidstrasse 110
8005 Zürich
Switzerland

AGC: 99h

Email address of the contact person:

luca.rossini@sdx.com

AGC: 100

AGC members from time to time receive requests from their direct investor-clients for an informational copy of a CSD's completed questionnaire. Such requests typically lead to interactions between personnel at the CSD in question and member personnel or client personnel, or both. Those interactions take time and impose costs on both members and depositories. Do you approve of AGC members delivering a copy of your completed questionnaire to the member's direct client in response to the client's request?

◉ Yes   ○ No

AGC: 101

Does your organization have a documented cyber security policy in place?

◉ Yes ○ No

SDX has a Security Policy framework in place including cyber security. The security policies cover all relevant areas like security governance, risk assessment, access control, data classification and protection, system hardening and vulnerability management, incident response, awareness and training. For reasons of confidentiality, please note that our policies are for internal use only and cannot be shared. However, please consider the attached document about Cyber Security Services at SIX.

SIX established a Security Operations Center (SOC) that provides cyber-security services by elaborating cybersecurity insights derived from a library of over one million known threats. The SOC has access to the latest security tools and is a leading defender against cybercrime. Hence, the SOC is a specialized cyber security competence center which works 24/7, monitors infrastructures, applications, suspicious behaviors and data centrally and searches for indicators of cyber-attacks. It arms security analysts with the collective knowledge and instinct needed to respond to threats with greater confidence, with speed and scale.

AGC: 102

Please confirm that your staff receive relevant training about this policy.

◉ Yes ○ No

Our staff receives ongoing training and instructions about cyber security and the respective threats.

AGC: 103

Please provide an overview of your policy for continuity of business in the event of a large data breach or cyber attack against your organization.

The cyber security incident response process follows the standard IT security incident process. SIX protects against zero day attacks using defense in depth, security monitoring and analysis strategies as well as specific prevention measures for critical assets. A SIRT (Security Incident Response Team) organization is in place in order to ensure that cyber threats are detected in a timely manner and patches are implemented accordingly. The defense in depth strategy consists of various policies, methods and technologies implemented to protect sensitive information at-rest, in-transit and in-use. The following measures support the prevention and detection of such information: data classification policies, access management according to the "need-to-know" principle, endpoint security including the encryption of mobile devices and blocking of removable media, blocking of access to web-based cloud services as well as e-mail content filtering and encryption.

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AGC: 104

In the last 12 months have there been any changes to the policy?

◯ Yes   ⦿ No

AGC: 105

Please advise how often you review the policy.

☑ Annually
☐ Semi-annually
☐ Other

AGC: 106

filecount - Please provide (as an attachment) a diagram showing where your cyber security function resides and who it reports to.

AGC: 107

How does your organization identify which business functions carry a cyber risk.

The security structure is based on the ISF (Information Security Forum) Standard of Good Practice for Information Security and is aligned with the NIST (National Institute of Standards and Technology) Cyber Security Framework. SIX conducts regular cyber risk and control assessments. In addition, SIX established an automated vulnerability scanning system, which alerts detected vulnerabilities in the Security Information and Event Management (SIEM) system of the 7x24h Security Operations Center (SOC). Several monitoring tools are in place like Intrusion Detection System (IDS), log monitoring, web applications firewalls, antivirus on the client and server side as well as vulnerability scans and a Data Leakage Prevention (DLP) program.

AGC: 108

Do you conduct ongoing testing and monitoring processes to ensure that all internal and external connectivity and system configurations are not at risk of cybersecurity breaches?

⦿ Yes   ◯ No

Please refer to the following types of cyber-risk testing and their frequency:
Penetration testing is conducted on a yearly basis for web facing applications
Vulnerability scans are applied on a monthly basis
Malware scans exist for all files leaving and entering the SIX network as well as on access for critical data and on servers
Intrusion detection occurs between zones

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AGC: 109

What technological controls and protections are in place for your systems and networks?

Controls as part of our Internal Controls System (ICS)
Network architecture based on different zones, protected against each other, DMZ etc.
Web Entry Server at the entrance points
Encryption of critical data
Digital signatures for massages exchanged with our clients
Filtering of incoming traffic

AGC: 110

Does your organization use multi-factor authentication

◉ Yes　　　○ No

We use a 2-factor authentication with a SecurID. Participant access is based on messages while every message is digitally signed using a public key infrastructure. Inside SIX, network system to system communication is using 2- way SSL for encryption and authentication.

AGC: 111

Where your organization has outsourced activities or functions to a third-party provider, is your cyber risk exposure documented?

◉ Yes　　　○ No

Please note that SIX has not outsourced any activities or functions to a third-party provider.

AGC: 112

What measures does your organization have to ensure early detection of a cyber attack?

There are several measures in place:
Network architecture; intrusion detection with monitoring at the zone boundaries including neuralgic points insides the zones protecting against each other, DMZ etc.
Web Entry Server at the entrance points
Encryption of critical data
Digital signatures for massages exchanged with our clients
Filtering of incoming traffic
Log Monitoring
Web Application Firewall
Antivirus on client and server side
Vulnerability scanning
Firewalls

SIX protects against zero-day attacks using defense in depth, security monitoring and analysis strategies as well as specific prevention measures for critical assets. A SIRT (Security Incident Response Team) organization is in place in order to ensure that cyber threats are detected in a timely manner and patches are implemented accordingly. A Security Board supervises IT security with a cyber-security monitoring team working around the clock. The Security Operations Center (SOC) is a specialized cyber security competence center which works 24/7, monitors infrastructures, applications, suspicious behaviors and data centrally and searches for indicators of cyber-attacks.

AGC: 113

What is the agreed resumption time for critical operations following a cyber attack?

Our business functions and processes are subject to ongoing risk assessments in terms of criticality. The time for recovery in case of system outages is very short as the parallel Sysplex architecture is fully automated and ensures that a backup processing is up and running within a period of max. 2 hours. The different services offered by SIX are classified in terms of business critical criteria (i.e. availability requirement, service level agreements). This classification serves as the basis for the respective reaction and restart times.

AGC: 114

How would you advise clients of a successful cyber attack against your organization?

We would urgently advice our clients according to our crisis management plans and policies. Please note that we have not had any system security breaches recently.

AGC: 115

In the last 12 months has your organization been subject to a cyber attack that impacted the service you provide to us? If yes, please provide details.

◯ Yes   ◉ No

Standard attacks on our infrastructure occur daily. These are detected and handled by our security systems. From time to time we encounter broader (D)DOS attacks which have not a had big impact in the past, also due to different communication services providers and their measures. All incidents are handled by the 24x7 incident response organization and processes. The cyber security incident response process follows the standard IT Security incident process established at SIX. Processes for the identification, treatment and escalation of IT Security incidents are implemented.

AGC: 116

Are the following elements of your cybersecurity framework tested pre and post deployment of changes?

- ☐ Vulnerability assessment
- ☑ Scenario based penetration tests
- ☑ Testing of incident response process and technical/business/operations (e.g. table-top exercise)
- ☑ Other: Our security structure is based on the ISF Standard of Good Practice and is aligned with the NIST Cyber Security Framework. SIX conducts regular cyber risk and control assessments. All monitoring tools like IDS, log monitoring, penetration tests, web applications firewalls, antivirus on the client and server side as well as vulnerability scans are in place and
  tested prior to and after being employed.

AGC: 117

For cloud technology and associated cyber security risks, do you you have procedures and controls in place to protect our information from mishandling or theft?

In the comments section could you please explain how these procedures and controls tie back to your record retention policy?

○ Yes   ○ No

SDX's member facing environments that run our productive Settlement and Custody Systems are deployed on SIX managed and secured data centers. We do not use cloud for our productive systems.

AGC: 118

Does your organization conduct dark web searches for signs of a breach (internet protocol or customer/client personally identified information for sale)?

⦿ Yes   ○ No

Our Cyber Security team conducts active dark web searches and looks for signs of a breaches. We search for key words, SIX assets, threat actors who plan any campaigns again the Swiss financial center and we do also receive threat intelligence reports in order to counter any threats.

We have rapid, safe, extensive access to illicit communities including closed, invite-only, and password-protected sources, as well as paste sites, technical data, stolen credentials, and social media sites exploited by threat actors. We are also able to engage directly with threat-actors on behalf of CTI (Cyber Threat Intelligence) teams when necessary.

Subject matter experts (SMEs) produce Finished Intelligence daily on the latest threats, trends, events, and research findings relevant to CTI teams. Reporting includes expert context and analysis to help teams reduce alert fatigue and more effectively identify and mitigate imminent or existing cyber threats to their organizations.

Our community serves as an extension of customers' teams. FPCollab, an information-sharing group for SMEs and customers, includes leading CTI experts who frequently collaborate, share critical insights, and give and receive support within this community.

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AGC: 119

Is your organization aware of SWIFT's Customer Security Program (CSP)?

◉ Yes　　○ No

The SWIFT Customer Security Controls Framework describes a set of mandatory and advisory security controls for SWIFT customers. Mandatory security controls establish a security baseline for the entire community, and must be implemented by all users on their local SWIFT infrastructure. We are member of the CSP Expert Group.

Please note that under the terms of the current CSP Framework, SIX does not request access to the self-attestation of other SWIFT counterparties. As the terms of the CSP Framework undergo regular changes in line with the continuous evolution of the CSP, SIX SIS will review its position and reserves the right, at any stage, to issue requests to other SWIFT users in order to have access to their CSP self-attestations.

AGC: 120

Does your organization ensure compliance with SWIFT's CSP controls?

◉ Yes　　○ No

AGC: 121

Does your organization respond to requests for your institution's attestations?

◉ Yes　　○ No

AGC: 122

Does your organization request the attestation details of your counterparties and incorporate the responses into ongoing relationship and risk management programs?

◉ Yes　　○ No

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