



# Directive on the Distribution of Equity Securities

Directive Distribution Equity Securities, DDES  
dated 18 June 2021  
Entry into force: 1 October 2021

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*Basis Art. 19 and 89e LR*

## **I General provisions**

### **Art. 1 Object**

This Directive contains additional provisions regarding the requirement of the free float pursuant to

1. Art. 19 LR, according to which the required sufficient distribution is achieved if at least 20% of the outstanding equity securities of the issuer in the same category are publicly owned and the capitalisation of the equity securities held by the public is at least CHF 25 million;
2. Art. 89e LR, according to which the required sufficient distribution is achieved if at least 15% of the outstanding securities of the issuer in the same category are publicly owned, the capitalisation of the equity securities held by the public is at least CHF 15 million, and the securities are allocated to at least 50 investors at the time of listing.

### **Art. 2 Purpose**

The prescription of minimum public free float and minimum capitalisation of the equity securities held by the public aims to achieve the realisations of market-consistent trading.

### **Art. 3 Scope of applicability**

This Directive applies to issuers of equity securities with primary and secondary listings.

*See also:*

- Directive Foreign Companies (DFC)

## **II Basis of calculation and distribution**

### **Art. 4 Calculation of public ownership**

<sup>1</sup> Not deemed to be publicly owned are:

1. equity securities held by the company itself or its subsidiaries;
2. equity securities of shareholders or associated shareholder groups (excluding equity derivatives defined in Art. 15 FMIO-FINMA and equity securities purchased in the framework of securities lending or "repo" transactions) amounting to more than five percent pursuant to Art. 120 et seqq. of the Federal Act of 19 June 2015 on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FMIA);
3. equity securities that serve to guarantee convertible rights and options, if they are not deemed to be equity securities owned by the company in the context of Clause 1;
4. equity securities that are not tradable within the framework of lock-up agreements;
5. equity securities whose placement is subject to certain conditions, in particular equity securities issued in connection with over-allotment options (greenshoe options).

<sup>2</sup> The provisions of FMIA and the related implementing provisions are applied analogously to primary-listed issuers of equity securities whose registered office is outside Switzerland.

*See also:*

- Directive Track Record (DTR)
- Federal Act of 19 June 2015 on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act, FMIA)
- Swiss Financial Market Supervisory Authority Ordinance of 3 December 2015 on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FINMA Financial Market Infrastructure Ordinance, FMIO-FINMA)

#### **Art. 5 Calculation of capitalisation**

The theoretical opening price stated by the issuer for the opening of trading on the first trading day is determinative for the calculation of capitalisation of the equity securities in the hands of the public.

#### **Art. 6 Confirmation of sufficient free float**

The lead manager or the applicant must confirm to the Regulatory Board that sufficient free float of the equity securities is ensured for the first trading day.

### **III Final provisions**

#### **Art. 7 Entry into force**

This Directive shall enter into force on 1 July 2009.

#### **Art. 8 Transitional provisions**

Applications by new issuers shall be assessed pursuant to this Directive if said applications are submitted to SIX Exchange Regulation AG subsequent to the entry into force of this Directive.

#### **Art. 9 Revisions**

<sup>1</sup> The revision of Art. 1, decreed by the resolution dated 12 March 2015 enters into force on 1 August 2015.

<sup>2</sup> Amendments due to the entry into force of the Financial Market Infrastructure Act and related ordinances in Art. 4 as of 1 April 2016.

<sup>3</sup> The revision of Art. 8 that was decreed by the Issuers Committee in its resolution of 20 March 2018 enters into force on 1 May 2018.

<sup>4</sup> The revision of Art. 1 that was decreed by the Issuers Committee in its resolution of 18 June 2021 enters into force on 1 October 2021.