

Practice of the Prospectus Review Offices, No. 1/2021 of 20 July 2021

Public law entities domiciled in Switzerland

Application of the Harmonised Accounting Model: no interim financial statements in the prospectus for debt securities (without derivatives)

Pursuant to Art. 40 para. 1 lit. a point 2 of the Federal Act on Financial Services (Financial Services Act, FinSA), the prospectus must contain the information on the issuer and the guarantor or security provider that is essential for the investor to make a decision, namely the latest semi-annual or annual financial statements or, if no such financial statements are yet available, information on assets and liabilities.

Art. 50 para. 1 of the Ordinance on Financial Services (FinSO) in conjunction with Annex 2 point 2.6.1 of the FinSO stipulates that prospectuses for debt securities (without derivatives) must contain additional interim financial statements in accordance with the same accounting standard as the annual financial statements for at least the first six months of the financial year if more than nine months have passed since the date of the last audited annual financial statements at the time of publication of the prospectus.

Public corporations domiciled in Switzerland regularly apply the Harmonised Accounting Model. The preparation of interim financial statements is not foreseen under this accounting model.

In deviation from Annex 2 point 2.6.5 FinSO, public law entities domiciled in Switzerland that apply the Harmonised Accounting Model do not have to include interim financial statements in the prospectus for debt securities (without derivatives) if the reporting date of the last annual financial statements was more than nine months ago. This exemption must be prominently stated in the prospectus.