

Newsletter No.

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Six introduces a new trading segment “Separate Trading Lines Equity Securities Listed Abroad” for share buybacks by Swiss issuers with a listing abroad

Effective 2 March 2026, SIX Swiss Exchange will introduce a new trading segment “Separate Trading Lines Equity Securities Listed Abroad” for Swiss issuers listed on a recognised foreign stock exchange for executing share buybacks. This new trading segment enables such issuers to execute share buybacks under a separate ISIN on a separate trading line without a formal listing in Switzerland and the related application of Swiss takeover laws and regular reporting/ad-hoc disclosure requirements of the issuer. It also facilitates the withholding tax (WHT) deduction and respective reclaims by selling shareholders.



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Six introduces possibility to open separate trading lines for share buybacks by Swiss issuers with listing abroad

1. Background

Under Swiss company law, companies are typically restricted to repurchasing no more than 10% of their outstanding share capital. A 35% Swiss withholding tax (WHT) is generally levied on buybacks carried out for capital reduction purposes. This tax is calculated on the excess of the repurchase price over the nominal value of the shares. An exception applies to the extent the company uses qualifying capital contribution reserves to offset the repurchase.

If shares are acquired without being cancelled or resold within six years, or held above the 10% threshold, the transaction may also be subject to WHT. If the company does not withhold the tax at the time of acquisition, the company itself may be required to bear the tax, resulting in an effective burden of roughly 54% due to the gross-up effect.

To manage these tax implications, companies listed on SIX Swiss Exchange (**SIX**) commonly implement buyback programs through a dedicated “second trading line”. This involves establishing a separate order book and securities identification number (ISIN) solely for the issuer’s repurchases, while ordinary trading in the shares continues simultaneously on the main line. When shares are tendered via this special line, the 35% WHT is deducted directly from the repurchase price. Until now, Swiss companies with shares listed on foreign exchanges lacked an equivalent mechanism, making practical solutions increasingly difficult.

Effective as of 2 March 2026, SIX Swiss Exchange will introduce a new trading segment “Separate Trading Lines Equity Securities Listed Abroad”. This new trading segment allows Swiss issuers

with a share listing abroad to apply for a separate trading line on SIX, enabling them to execute share buybacks and the related WHT deduction and respective reclaims by selling shareholders, due to a separate ISIN, in an efficient manner (i.e. separated from trades on the main trading line abroad). This represents a significant step forward for Swiss issuers listed on a recognized foreign stock exchange who are seeking a tax-efficient and compliant mechanism to execute share buybacks without having to be formally listed on SIX.

2. Admission to the new trading segment

2.1. Application for opening a separate trading line for share buybacks

The new segment is available for equity securities listed outside of Switzerland on a foreign stock exchange recognized by SIX’ Regulatory Board that have been issued by issuers which are domiciled or deemed to be domiciled in Switzerland pursuant to the Federal Act on Withholding Tax (the **WTA**). More specifically:

- Initially, the new trading segment will be available to equity issuers listed on recognized stock exchanges in the US and the UK. Subject to corresponding demand from equity issuers, SIX will consider extending the offering to additional trading venues recognized by the Regulatory Board in other jurisdictions.
- According to the WTA, an issuer is considered Swiss if (i) it is domiciled in Switzerland or, (ii) it is domiciled abroad but is effectively managed in Switzerland and conducts business activities here.

To open the separate trading line, a respective listing application must be submitted no later than 10 trading days prior to the first trading day, describing the planned transactions and the respective timetable, the securities to be admitted to trading, the first and last trading day and the technical requirements in connection with trading and settlement. In exceptional cases this period of 10 trading days may be shortened to a minimum of five trading days, if an application is received to this effect stating the reasons for such request.

In addition, the following supporting documents have to be submitted: (i) An issuer declaration pursuant to Article 18 of the SIX Directive on the Procedure for Equity Securities / Article 45 of the SIX Listing Rules, (ii) an official notice (to be submitted by 11:00 CET one day prior to the first trading day the latest) and (iii) a declaration of the issuer stating that:

- the requirement for the application of Article 123 paragraph 4 of the Swiss Financial Market Infrastructure Ordinance (the **FinMIO**) – which provides a safe harbour rule for share buybacks with respect to the ban on insider trading and market manipulation, in case the purchase price paid on a separate trading line is no more than 2% higher than the last closing price on the regular trading line or (if lower) the best current bid price on the regular trading line – are met;
- the requirements pursuant to Article 123 paragraph 1 FinMIO (imposing certain limits to i.a. the duration, the volume, the purchase price and the purpose of the buyback program and further providing for announcement and reporting requirement) or the corresponding provisions governing buybacks of own equity securities applicable at the trading venue of the issuer's listing are met; and

- the bank commissioned by the issuer with the execution of the buy-back of the shares will not submit any applications for the refund of Swiss withholding tax that has been deducted from the purchase price of the shares in question, insofar as it purchases shares on behalf of the issuer in connection with the buyback.

2.2. (Non-)Application of select Swiss financial markets regulations

As a consequence of the opening of a separate trading line, the ban on exploitation of insider information pursuant to Article 142 of the Swiss Financial Market Infrastructure Act (**FinMIA**) and the ban on market manipulation pursuant to Article 143 of the FinMIA become applicable. However, as mentioned above, issuers must submit a declaration as part of their application to SIX and structure the buyback accordingly to benefit from the safe harbour rule under Article 123 paragraph 4 FinMIO (i.e. they must respect the respective limitation on the buyback price).

Because the opening of a separate trading line in the new segment does not constitute a listing in Switzerland, the following financial market regulations do not apply:

- A Swiss listing prospectus pursuant to Article 35 of the Swiss Financial Services Act is not required.
- The Swiss rules on public takeover offers as per Articles 125 et seq. FinMIA are not applicable.
- The Swiss rules on disclosure of significant shareholdings as per Articles 120 et seq. FinMIA are not applicable.
- The issuer is under no obligation to make regular or ad-hoc disclosures to SIX (cf. Article 8 of the SIX Rules for the Admission of Equity

Securities and Exchange Traded Products to Trading).

3. Terms of the trading segment

3.1. Market model

The rules of the Central Limit Order Book market model apply for on-exchange, on-order-book trading. The maximum order value corresponds to CHF 10'000'000. Clearing and settlement must occur three exchange days after the trade itself (T+3), i.e. within a longer period compared to the standard T+2 settlement period generally applicable for securities with main listing on SIX. Trades in the new segment in connection with a buyback of own equity securities for the purpose of a capital reduction may not be executed off-order-book.

3.2. Trading hours

The trading hours for the newly introduced trading segment correspond to the general trading hours of equity securities listed on SIX. They are as follows:

- pre-opening from 06:00 to 09:00 (CET);
- opening from 09:00 (CET) with random opening within 2 minutes;
- continuous trading from opening until 17:20 (CET);
- closing auction from 17:20 to 17:30 (CET) with random close of trading within 2 minutes;
- post-trading from close of trading until 22:00 (CET).

As such, depending on the place of the main listing, the trading hours on the trading venue of the main listing and on the separate trading line operated by SIX may diverge significantly.

3.3. Charges

For opening and maintaining a separate trading line for a maximum period of 36

months, issuers are levied a basic charge of CHF 30'000 and a variable charge of CHF 20 per CHF 1'000'000 of the announced transaction or buy-back amount, subject to a cap of such variable fee of CHF 50'000. In addition, transaction fees apply.

4. Entry into force

The revised provisions on the new trading segment "Separate Trading Lines Equity Securities listed abroad" and the related changes to various SIX regulations will enter into force on 2 March 2026.

The Walder Wyss Newsletter provides comments on new developments and significant issues of Swiss law. These comments are not intended to provide legal advice. Before taking action or relying on the comments and the information given, addressees of this Newsletter should seek specific advice on the matters which concern them.

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