



Important adjustments to the SSPA categorization model as of January 2021

General

Starting in 2019, the working group for the buy side discussed how the product names currently used on the Swiss Derivative Map could be better adapted to the needs of investors. A gap analysis was conducted and proposals were made for harmonizing the names of the main product types. In several meetings, representatives of the buy side discussed with the members of the Standards Working Group how these requirements could be met. The aim of both working groups was to increase transparency and thus investor confidence and to avoid misunderstandings in connection with product designations. Only the product types of the "investment products" were considered. The leveraged products remain unchanged.

Adjustment to the English naming of capital protection products

In the English language, capital protection products are no longer called "Certificates" but "Notes". The reason for this is that capital protection products are traded on a nominal basis. An adjustment in the languages German, Italian and French was not considered appropriate.

Renaming of two product types in the yield enhancement category

The product types previously categorized as "Express Certificate without Barrier" and "Barrier Express Certificate" will be renamed "Reverse Convertible with Conditional Coupon (1255)" and "Barrier Reverse Convertible with Conditional Coupon (1260)". This allows for a better differentiation of yield enhancement products according to their coupon characteristics; either with a guaranteed (1220 and 1230) or a conditional coupon (1255 and 1260).

Renaming of the category "Investment products with reference entities" (14)

The category is now called "Investment products with additional credit risk". This ensures that investors can see at first glance that their product contains an additional risk. In the course of this, the product types 1410, 1420, 1430 will be slightly modified in their names. The new names are "Certificate with conditional capital protection and additional credit risk (1410)", "Yield enhancement certificate with additional credit risk (1420)" and "Participation certificate with additional credit risk (1430)".



As already described, this category consists of existing payout profiles supplemented with an additional credit risk. For this reason, the SSPA Swiss Derivative Map does not show the payout profiles.

Introduction of "Credit Linked Notes" (1400)

By popular demand, the vanilla "Credit Linked Notes (1400)" are introduced as a new product type.

Product characteristics of the "Tracker Certificate" (1300)

The product type Tracker Certificate (1300) is supplemented with the characteristic "Underlying can be managed dynamically". This takes into account the fact that Actively Managed Certificates (AMCs) are currently issued frequently and have therefore become an integral part of the product universe.

Implementation

The adjustments to the categorization model will take effect on 1st January 2021. The technical implementation of these changes, e.g. for the product finder, will be implemented on the SSPA website during the third quarter of 2020. Existing products are not affected by the changes. In concrete terms, this means that the IBT type codes of these products will not be encoded to the adapted SSPA product types. On the other hand, all new emissions will be shown according to the new categorization model with immediate effect.

Further information:

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About Structured Products

Structured products are investment instruments issued publicly by an issuer whose redemption value is derived from the performance of one or more underlying instruments. Underlying assets can be shares, interest, foreign exchange or raw materials such as gold or crude oil.

About the association

The Swiss Structured Products Association (SSPA) is the first point of contact for all questions concerning structured products. It represents the common interests of 41 members, who account for over 95 percent of the market volume of structured products in Switzerland. The association is headquartered in Zurich. Further information is available at www.sspa.ch.