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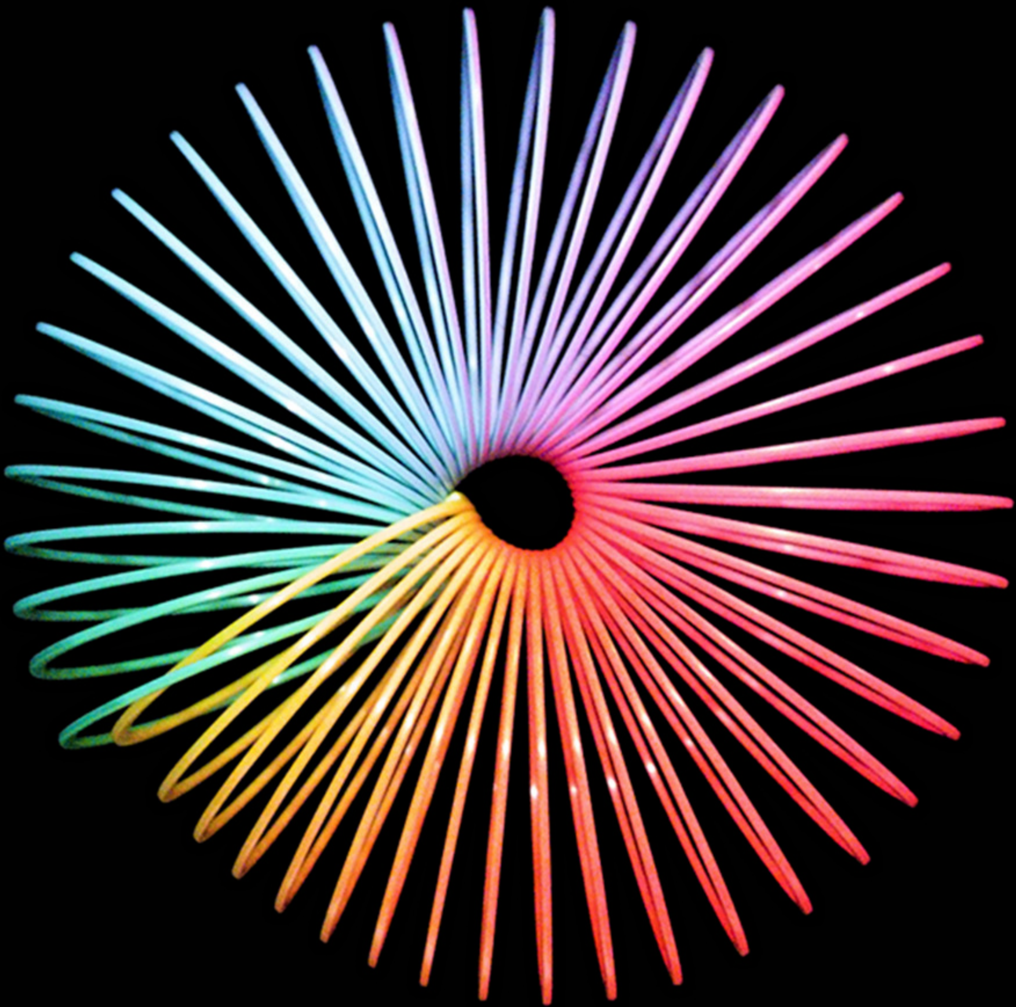

Swiss GAAP FER 2024

Checklist for application and disclosure

MAKING AN IMPACT THAT MATTERS since 1845

September 2024

Introduction

Foreword

This checklist shall support in applying the Swiss GAAP FER standards as well as in reviewing the completeness of its disclosure requirements. It comprises, based on our experience, the most relevant requirements in regard of application and disclosure of Swiss GAAP FER for stand-alone financial statements and consolidated financial statements.

The Swiss GAAP FER 2024 checklist shall support in preparing financial statements under Swiss GAAP FER. This Swiss GAAP FER 2024 checklist covers the latest published amendments and new standards for reporting periods beginning on or after 1 January 2024.

Application of Swiss GAAP FER

The application of Swiss GAAP FER **generally requires** all users **to apply the entire FER standards**. This includes the Core-FER as well as the additional FER standards. The Core-FER comprise the Swiss GAAP FER framework and the FER standards 1 to 6. Smaller enterprises are allowed to only apply the Core-FER. According to the Swiss GAAP FER framework, smaller enterprises are companies, which do not exceed two of the following thresholds in two successive years:

1. total balance sheet of CHF 10 million;

2. total revenues of CHF 20 million;

3. 50 full-time positions on annual average.

Companies, whose shares are **listed on a stock exchange**, have to apply the requirements according to FER 31 “Complementary recommendation for listed companies” supplemental to the Core-FER and the additional FER.

Companies, that are required to prepare **consolidated financial statements,** have to apply FER 30 “Consolidated financial statements” in addition to the Core-FER and the additional FER.

Guidance to this checklist

The checklist presents the relevant Swiss GAAP FER standards in a table format. The first column lists the paragraphs corresponding to the respective Swiss GAAP FER standards, presented in the second column. The checklist should be completed by answering YES, N/A or N.M. to each of the questions, whereas the abbreviations are as follows:

YES	The application and/or disclosure was made in accordance with Swiss GAAP FER
Not applicable (N/A)	This paragraph is not applicable for the present stand-alone or consolidated financial statements
Not material (N.M.)	The corresponding application or disclosure requirement is not material. Thus, it has not been applied and/or disclosed

Completeness and accuracy of this checklist

Based on our experience in auditing companies applying Swiss GAAP FER, we made a selection of principles, which we consider to be the most relevant ones. Thus it is possible that the official Swiss GAAP FER issued by the Foundation for Accounting and Reporting Requirements include additional requirements, which are not illustrated in this checklist. Thus, we recommend to consult the Swiss GAAP FER publications and to seek for professional advice.

Deloitte AG accepts no liability for any damages arising from the use of this checklist.

We welcome your feedback regarding any opportunities for improvements.

Application of Swiss GAAP FER standards

The FER standards comprise the latest modifications published by the Foundation for Accounting and Reporting Requirements.

No.	Topic	First application
FW	Swiss GAAP FER Framework	01.01.2016
1	Basics	01.01.2009
2	Valuation	01.01.2013
3	Presentation and format	01.01.2016
4	Cash flow statement	01.01.2009
5	Off-balance sheet transactions	01.01.2007
6	Notes	01.01.2016
10	Intangible assets	01.01.2007
11	Income taxes	01.01.2007
13	Leases	01.01.2007
15	Related party transactions	01.01.2009
16	Pension benefit obligations	01.01.2011
17	Inventories	01.01.2013
18	Tangible fixed assets	01.01.2013
20	Impairment	01.01.2007
21	Accounting for charitable non-profit organisations	01.01.2007
22	Long-term contracts	01.01.2007
23	Provisions	01.01.2010
24	Equity and transactions with shareholders	01.01.2007
26	Accounting of pension plans	01.01.2014
27	Derivative financial instruments	01.01.2013
28	Government Grants (issued 2022)	01.01.2024
30	Consolidated financial statements (updated 2022)	01.01.2024
31	Complementary recommendation for listed entities	01.01.2015
40	Consolidated financial statements of insurance companies	01.01.2021
41	Accounting for real estate insurers and for health insurers	01.01.2012

Structure of the checklist

The Swiss GAAP FER 2024 checklist shall support in preparing financial statements under Swiss GAAP FER. Deloitte presents the Swiss GAAP FER standards in a certain order. However, this order is just for illustrative purposes. Any other order might be more appropriate under the respective circumstances. In addition, the wording within this checklist might be different to the wording according to the official Swiss GAAP FER issued by the Foundation for Accounting and Reporting Requirements. If there are any concerns about the application of the checklist, we recommend to consult with the Foundation for Accounting and Reporting Requirements and to seek for professional advice.

This checklist is divided into 5 parts:

Model financial statements

The model financial statements illustrates the structure of the financial statements under Swiss GAAP FER (including balance sheet, income statement and cash flow statement). The objective of the model financial statements is to provide a basic reference of the rules for presentation and disclosure. We further refer to the dedicated Model Financial Statements which can be downloaded from the following link: Model Financial Statements

Core-FER (FER framework and FER 1 to 6)

The Core-FER comprise the FER framework and the FER standards 1 to 6. The FER framework deals with the general accepted standards on accounting according to Swiss GAAP FER, whereas the FER standards 1 to 6 include general requirements for all entities, regardless of their size.

Deloitte decided not to present the entire FER 1 within this checklist. FER 1 solely contains general information around the purpose of Swiss GAAP FER and its structure, but no specific requirements with regard to application or disclosure.

One aspect in FER 1 which users are often confronted with is how to deal with circumstances which are not specifically governed by a FER. Based on FER 1 such matters are to be addressed “in the meaning of the framework”. Generally the true and fair view principle should be applied. When it comes to taking over guidance from other true and fair view accounting standards (such as e.g. IFRS) these should conceptually match the approach of Swiss GAAP FER and ‘cherry picking” should be avoided. In such cases the chosen approach represents an accounting policy which is to be applied consistently.

Additional FER (FER 10 to 28)

The additional Swiss GAAP FER comprise the requirements of FER standards 10 to 28, with the exception of FER 21 and FER 26 which represent industry specific standards, further industry specific standards are listed below:

- Accounting for charitable non-profit organisations (Swiss GAAP FER 21);
- Accounting of pension plans (Swiss GAAP FER 26);
- Consolidated financial statements of insurance companies (Swiss GAAP FER 40);
- Accounting for real estate insurers and for health insurers (Swiss GAAP FER 41).

As these standards only affect selected FER users, we have refrained from including these standards in the checklist.

The additional FER standards have to be applied by enterprises which exceed two of the following thresholds in two successive years:

1. total balance sheet of CHF 10 million;

2. total revenues of CHF 20 million;

3. 50 full-time positions on annual average.

Swiss GAAP FER 30

Entities, that are required to prepare consolidated financial statements, have to apply FER 30 in addition to the Core-FER and the additional FER.

Swiss GAAP FER 31

Companies, which shares are listed on a stock exchange in Switzerland, have to apply the requirements according to FER 31 in addition to the Core-FER and the additional FER.

Model financial statements

Consolidated Balance Sheet

Reference	International FER Holding AG		
FER 3/2; 3/12	**Consolidated Balance Sheet for the year ended 31 December 20X2**		
		31/12/20X2	**31/12/20X1**
FER 3/2/A	Cash		
FER 3/2/A	Securities		
FER 3/2/A	Receivables from goods and services		
FER 3/2/A	Other short-term receivables		
FER 3/2/A	Inventories		
FER 3/2/A	Prepayments and accrued income		
FER 3/2/A	**Total current assets**		
FER 3/2/B; 13/4; 18/22	Tangible fixed assets		
FER 3/2/B	Financial assets		
FER 3/2/B; 10/1	Intangible assets		
FER 3/2/B	**Total non-current assets**		
FER 3/2	**Total assets**		
		31/12/20X2	**31/12/20X1**
FER 3/2/C	Short-term financial liabilities		
FER 3/2/C	Payables for goods and services		
FER 3/2/C; 23/12	Short-term provisions		
FER 3/2/C	Accrued liabilities and deferred income		
FER 13/4; 13/10	Short-term leasing liabilities		
FER 3/2/C	**Total current liabilities**		
FER 3/2/D	Long-term financial liabilities		
FER 3/2/D; 23/12	Long-term provisions		
FER 13/4; 13/10	Long-term leasing liabilities		
	Total liabilities		
FER 3/2/E	Share capital		

Reference	International FER Holding AG		
FER 3/2/E	Capital reserves		
FER 3/2/E; 24/2	Own shares		
FER 3/2/E	Retained earnings incl. translation reserves		
FER 3/2/E	Profit/loss for the year		
FER 30/10	Share of minority shareholders		
FER 3/2/E; 24/7	**Total equity**		
FER 3/2	**Total liabilities and equity**		

Consolidated Income Statement

Reference	International FER Holding AG		
FER 3/5-7	**Consolidated Income Statement for the year ended 31 December 20X2**		
		31/12/20X2	**31/12/20X1**
FER 3/7	Net sales from goods and services		
FER 3/7	Other operating income		
FER 3/7	Change in inventory of finished and unfinished goods as well as unbilled goods and services		
	Operating income		
FER 3/7	Raw material expense		
FER 3/7	Personnel expense		
FER 3/7	Other operating expense		
FER 3/7; 18/9	Depreciation of tangible fixed assets		
FER 3/7; 10/8	Amortisation of intangible assets		
FER 3/7	**Operating result**		
FER 3/7	Financial result		
FER 30/12	Share of profit/loss of associates		
FER 3/7	**Ordinary result**		
FER 3/7; 3/9	Non-operating result		
FER 3/7; 3/9	Extraordinary result		
FER 3/7	**Profit/loss for the year before income taxes**		
FER 3/7; 11/3	Income taxes		
	Share of shareholders of International FER Holding AG:		
FER 30/11	Minority interest		
FER 31/5	**Earnings per share**		
		31/12/20X2	**31/12/20X1**
	Basic earnings per share		
	Diluted earnings per share		

Consolidated Cash Flow Statement

Reference	International FER Holding AG		
Fer 4/1-2	**Consolidated Cash Flow Statement for the year ended 31 December 20X2**		
		31/12/20X2	**31/12/20X1**
FER 4/10	**Profit/loss of the year**		
FER 4/10	+/- depreciation/amortisation/revaluations resulting in profit of tangible and intangible fixed assets		
FER 4/10	+/- loss from impairment/ (partial or full) reversal of impairment		
FER 4/10	+/- increase/decrease of provisions (including deferred income taxes) that do not affect the fund		
FER 4/10	+/- other expense/income that do not affect the fund		
FER 4/10	+/- loss/profit from the disposal of tangible and intangible fixed assets		
FER 4/10	+/- decrease/increase of receivables from goods and services		
FER 4/10	+/- decrease/increase of inventories		
FER 4/10	+/- decrease/increase of other receivables and prepayments and accrued income		
FER 4/10	+/- increase/decrease of payables from goods and services		
FER 4/10	+/- increase/decrease of other short-term liabiltiies and accrued liabilities and deferred income		
FER 4/10	**Cash inflow/outflow from operating activities (operating cash flow)**		
FER 4/11	- Outflow for investment (purchase) of tangible fixed assets		
FER 4/11	+ inflows from disposal (selling) of tangible fixed assets		
FER 4/11	- outflows for investment (purchase) of financial assets (including loans, investments, securities etc.)		
FER 4/11	+ inflows from disposal (selling) of financial assets (including loans, investements, securities etc.)		
FER 4/11	- Outflows for investment (purchase) of intangiblea ssets		
FER 4/11	+ inflows fro mdisposal (selling) of intangible assets		
FER 30/34	- Payment for the acquisition of consolidated entities (less cash taken over)		
FER 30/34	+ receipt from the disposal of consolidated entity (less cash given)		

Reference	International FER Holding AG		
FER 4/11	**Cash inflow/outflow from investing activities**		
FER 30/36	Share of loss (profits) from the application of the equity method		
FER 4/12	+ inflows from capital increase (including agio)		
FER 4/12	- outflows for capital reductions with release of resources		
FER 4/12	- distribution of profits to holders of units of the capital		
FER 4/12	-/+ Purchase/disposal of own shares/own units of the capital of the entity		
FER 4/12	+ Inflows from a bond issuance		
FER 4/12	- outflows for bond repayments		
FER 4/12	+/- issuance/repayments of short-term financial liabilities		
FER 4/12	+/- issuance/repayment of long-term financial liabilities		
FER 4/12	**Cash inflow/outflow from financing activities**		
		31/12/20X2	**31/12/20X1**
	+/- translation differences		
FER 4/3	**Net change in cash**		
	Proof:		
FER 4/3	Cash at January 01		
FER 4/3	Cash at December 31		
FER 4/3	**Change in Cash**		

Core-FER (FER Framework and FER 1 - 6)

Swiss GAAP FER - Framework

FER	Text	YES	N/A	N.M.	Ref.
FW/4	To be disclosed, whether the entity complies with the Core-FER only or with the Swiss GAAP FER as a whole.	☐	☐	☐	
FW/7	The Annual report consists at least of financial statements, resp. consolidated financial statements and a management report.	☐	☐	☐	
	The financial statements, resp. consolidated financial statements consist at least of: • Balance sheet; • Income statement; • Cash flow statement; • Statement of changes in equity; • Notes;	☐	☐	☐	
FW/8	For an entity adopting Core-FER or Swiss GAAP FER as a whole for the first time or converting from Core-FER to Swiss GAAP FER as a whole, the prior year balance sheet is presented in compliance with the new intended regulations.	☐	☐	☐	
FW/9	The financial statements are based on the assumption that the going concern of an entity is possible for the foreseeable future, at least, however, for twelve months after the balance sheet date (if this applies, the going concern values are used as the basis for valuation).	☐	☐	☐	
	Does the entity intend to liquidate or - with a high probability – liquidation cannot be averted? (In these instances, the financial statements are prepared on the basis of liquidation values). The valuation at liquidation values is disclosed and explained in the notes. The notes contain an explanation (i.e. quantification) of deviations from the concept.	☐	☐	☐	
	Are there significant doubts related to the status as a going concern of an entity? (In that case, this fact is disclosed).	☐	☐	☐	
FW/11	The financial statements are established on the basis of the periodic accrual principle. Effects of transactions and other events are recognized at their occurrence and not when cash or cash equivalents are received or paid. In terms of timing, this means that expenses and income are accrued and recognized in the period of occurrence.	☐	☐	☐	
FW/12	Income is recognized at the delivery of services, or tangible and intangible assets, or if benefits and risks as well as authority to dispose of the property have been passed to the purchaser. Business transactions with "Discrete components" are recognized and valued separately (sale of products and associated services are, for example, considered as "Discrete components").	☐	☐	☐	
FW/20	Contingent assets and contingent liabilities are disclosed in the notes.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
FW/28	The date at which the financial statements are approved by the responsible body is disclosed in the notes.	☐	☐	☐	
	Positive or negative events occurring between the balance sheet date and the date at which the financial statements are approved, are disclosed in the financial statements and the notes, only if the trigger and its respective conditions were already known at the balance sheet date.	☐	☐	☐	
	For material events that are not recognised in the financial statements, as the trigger of the event is only known after the balance sheet date, the following information is disclosed: • Nature of the event; • Estimate of the financial impact of the event (if such an estimate is not possible the notes refer to this fact).	☐	☐	☐	
FW/30	The financial statements are consistent with the prior year principles.	☐	☐	☐	
	They therefore comply with the principle of consistency in valuation, presentation and disclosure.	☐	☐	☐	
	Changes in accounting principles were only made in justified cases, e.g.: • If the change is required by a Swiss GAAP FER recommendation; • If the activities of an entity significantly change; • If a new/changed entity is established; • If a choice within the options offered by a Swiss GAAP FER recommendation provides more adequate statements for the financial statements and the future of the entity.	☐	☐	☐	
	The notes disclose why the accounting principle has been changed, the nature of the change and its financial impact.	☐	☐	☐	
FW/31	The prior year financial statements are adjusted as if the new accounting principles had already been applied initially.	☐	☐	☐	
FW/32	The effects of errors in prior year financial statements are explained and disclosed quantitatively in the notes.	☐	☐	☐	
FW/33	The prior year financial statements are adjusted as if the error never occurred.	☐	☐	☐	
	Changes in accounting estimates are disclosed in the notes.	☐	☐	☐	
FW/3	In the case of changes in accounting estimates either the current period result only or also future period results are affected. Therefore, the prior year financial statements are not adjusted.	☐	☐	☐	
FW/31	Unless a Swiss GAAP FER recommendation does not allow for or requires different treatment, the financial statements contain all quantitative information for the prior year period.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
FW/32	Circumstances that are not recognised in the balance sheet due to unreliable information are disclosed in the notes (description and quantitative disclosure).	☐	☐	☐	
FW/33	The financial statements comply with the principle of clarity. In this respect, the financial statement items are cross-referenced to the notes. The financial statements furthermore comply with the following requirements: • They are classified clearly and objectively; • Similar items are subsumed, denoted adequately and duly complemented by in the notes; • Content and presentation give a true & fair view of the entity.	☐	☐	☐	
	If reasonable, rounded amounts are used to get a better understanding/ overview.	☐	☐	☐	
FW/34	The management report contains at least statements concerning the following aspects: • **Environment:** Outline of the economic environment (e.g. market developments, industry trends, competition, decisive conditions like economic situation, changes in laws) of the past year and expectations of the future regarding the economic environment. • **Financial year:** Comments to the components of the financial statements on the basis of key business ratios of the balance sheet and the income statement and their development. • **Outlook:** Comments on the further development of the entity with focus on the subsequent financial year, mainly with regard to risks and benefits.	☐	☐	☐	

Swiss GAAP FER 2 - Valuation

FER	Text	YES	N/A	N.M.	Ref.
I	**Basics**				
2/3	The valuation is coherent within each balance sheet item.	☐	☐	☐	
	Deviations from the valuation basis selected for a balance sheet item are possible as long as they are objectively substantiated and disclosed in the notes.	☐	☐	☐	
2/4	The valuation principles for each balance sheet item must provide for the systematic determination and recognition of depreciation as well as of impairment; these correspond to the valuation basis used. The changes of actual values are recognised in the income statement.	☐	☐	☐	
2/22	***Note :*** *Depreciation and impairment are determined and recognised in the financial statements according to economic principles. Therefore, for example, depreciation is not determined according to fiscal considerations but rather on the basis of useful life or similar criteria. Depreciation reflects the systematic distribution of the entire depreciation value of an asset over its estimated useful life whereas the depreciation value is based on the acquisition cost or production cost of an asset less its residual value. The method of determining depreciation and impairment is disclosed in the notes.*	☐	☐	☐	
2/5	In the current and the prior periods, the same valuation basis and the same valuation principles are applied for each financial statement position.	☐	☐	☐	
2/6	The valuation basis for the financial statements and the valuation principles for the financial statement positions are disclosed in the notes. These comprise at least: • Securities (as part of current assets); • Receivables; • Inventories; • Tangible fixed assets; • Financial assets (including securities as part of the fixed assets); • Intangible assets; • Liabilities; • Provisions; • Other material financial statement positions.	☐	☐	☐	
2/16	**Impairment** All assets are tested whether indicators exist that the carrying amount of the asset might exceed its recoverable amount (impairment). If impairment exists the carrying amount is reduced to the recoverable amount, whereas the impairment loss is charged to the result of the period.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
2/17	**Conversion of foreign currency positions** The conversion of positions recorded in foreign currencies is performed using the current rate method. All assets and liabilities are converted at the exchange rate at the balance sheet date. **Transactions** in foreign currencies are converted at the exchange rate on the day of the transaction or at the average exchange rate of the month in which the transaction took place. The effects of the changes in foreign currencies are recognized in the result of the period.	☐	☐	☐	
2/18	**Deferred income taxes** Deferred income taxes are considered on valuation differences arising from deviations between actual values and values which are relevant for taxation.	☐	☐	☐	
II	**Valuation principles for individual balance sheet positions**				
2/7	**Securities,** as part of the current assets, are valued at actual values. If there is no actual value at hand they are – at the most –valued at acquisition cost less impairment, if any.	☐	☐	☐	
2/8	Receivables are valued at par value less impairment, if any.	☐	☐	☐	
2/23	Significant receivables are valued individually.	☐	☐	☐	
2/24	The remaining receivables are valued using a flat rate. The assumptions for the calculation of the flat rate allowance are disclosed in the notes. The flat rate allowance on receivables is based on empirical values established by the relevant entity.	☐	☐	☐	
2/9	Inventories are valued at acquisition cost or at production cost or – if this is lower – at the net selling price (the lower of cost or market).	☐	☐	☐	
2/25	The acquisition cost or production cost of inventories comprise all – direct and indirect – disbursements required for establishing the inventories at their present location or in their present condition (full cost). To determine the acquisition cost and production cost of the inventories the actually incurred cost are applied. The determination of the cost can also be made by an approximation.	☐	☐	☐	
2/26	For the determination of the net selling price, the actual sales price is used as basis.	☐	☐	☐	
2/10	Long-term contracts are recognised according to the percentage-of-completion-method (POCM) if the respective preconditions according to **paragraph 27** are met. With the POCM any profit is recognized proportionally, as far as its realization is sufficiently certain, besides capitalizing the historical acquisition and production cost including further project-related expense.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
2/28	Provision need to be built for loss orders (loss becomes apparent in the phase of completing the contract), even if no expense have been incurred, yet. As soon as losses become apparent during the project, depreciation needs are recognized in the full amount, irrespective of the degree of completion.	☐	☐	☐	
2/29	Prepayments received are recognised in the balance sheet only, thus without impacting the profit.	☐	☐	☐	
2/11	**Tangible fixed assets,** which are intended for the production of goods or for the performance of services are recognised in the balance sheet at acquisition cost or production cost, less necessary depreciation. **Non-operating tangible fixed assets** which are only kept for investment purposes can also be recognized at actual values.	☐	☐	☐	
2/30	Investments in tangible fixed assets are capitalized as an asset if they are used during more than one accounting period and exceed the minimal value for recognition.	☐	☐	☐	
2/31	The depreciation is recognised systematically (proportional to time or performance) over the useful life of the tangible fixed asset. Depreciation starts at the actual beginning of the operational utilization.	☐	☐	☐	
2/32	For undeveloped property there is no systematic depreciation since one can assume an unlimited useful life.	☐	☐	☐	
2/31	The method of depreciation and the duration of the depreciation are disclosed.	☐	☐	☐	
2/12	**Financial assets** are recognised at acquisition cost less impairment, if any. Securities presented as financial assets are recognised at actual values.	☐	☐	☐	
2/13	**Intangible assets** are valued at acquisition cost (for acquired intangible assets) or production cost (for intangible assets generated internally) less necessary amortisation.	☐	☐	☐	
2/34	Acquired intangible assets are recognised in the balance sheet if they yield measurable benefits for the entity over several years.	☐	☐	☐	
2/36	Expenses for general research activities are not capitalized. Expenses for development expenditure are only capitalized if the conditions of **paragraph 35** are met.	☐	☐	☐	
2/37	If intangible assets are capitalised, the future useful life is carefully estimated and the capitalised value is systematically charged (normally linearly) over the useful life to the result of the period. If the useful life could not be clearly determined an amortization period of five years was generally assumed, in justified cases it can be extended to twenty years at the most. For intangible assets related to individuals the useful life does not exceed five years. The estimated useful life and the method of the amortization of the intangible assets are disclosed in the notes.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
2/38	Founding and administrative costs of an entity do not represent intangible assets and are therefore not recognised as an asset.	☐	☐	☐	
2/14	**Liabilities** are normally recorded at par value.	☐	☐	☐	
2/15	**Provisions** represent legal or factual obligations. They are recognised on the basis of the probable outflow of funds at every balance sheet date.	☐	☐	☐	
2/39	Provisions are increased, preserved or released according to yearly reappraisals.	☐	☐	☐	
	Interest-free loans were discounted.	☐	☐	☐	

Swiss GAAP FER 3 - Presentation and format

FER	Text	YES	N/A	N.M.	Ref.
3/2	The following items are separately disclosed in the balance sheet:				
FW/16	• **Current assets** Current assets contain only assets that are realised within 12 months after the balance sheet date, or are sold, consumed or realised within the operating activity, or are held for trading and cash and cash equivalents.	☐	☐	☐	
	• **Fixed assets**	☐	☐	☐	
FW/18	• **Short-term liabilities** Short-term liabilities are liabilities that are settled within 12 months after the balance sheet data, or for which cash outflow is probable within the operating activity, or when they are held for trading.	☐	☐	☐	
	• **Long-term liabilities**	☐	☐	☐	
	• **Equity**	☐	☐	☐	
	Balance Sheet				
3/2	The following items are separately disclosed in the **balance sheet:**				
	ASSETS	☐	☐	☐	
	• Current assets:	☐	☐	☐	
	– Cash;	☐	☐	☐	
	– Securities;	☐	☐	☐	
	– Receivables from goods and services;	☐	☐	☐	
	– Other short-term receivables;	☐	☐	☐	
	– Inventories;	☐	☐	☐	
	– Prepayments and accrued income.	☐	☐	☐	
	• Non-current assets:	☐	☐	☐	
	– Tangible fixed assets;	☐	☐	☐	
	– Financial assets;	☐	☐	☐	
	– Intangible assets.	☐	☐	☐	
	LIABILITIES	☐	☐	☐	
	• Current liabilities:	☐	☐	☐	
	– Short-term financial liabilities;	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
	– Payables from goods and services;	☐	☐	☐	
	– Other short-term liabilities;	☐	☐	☐	
	– Short-term provisions;	☐	☐	☐	
	– Accrued liabilities and deferred income.	☐	☐	☐	
	• Non-current (long-term) liabilities:				
	– Long-term financial liabilities;	☐	☐	☐	
	– Other long-term liabilities;	☐	☐	☐	
	– Long-term provisions.	☐	☐	☐	
	EQUITY	☐	☐	☐	
	• Capital of the entity;	☐	☐	☐	
	• Capital of the entity not paid in (negative amount);	☐	☐	☐	
3/13	• Capital reserves;	☐	☐	☐	
	• Own shares/own units of the capital of the entity (negative amount);	☐	☐	☐	
3/13	• Retained earnings (profits) or accumulated losses.	☐	☐	☐	
	Balance sheet or notes				
3/3	The following items are separately disclosed in the balance sheet or in the notes:				
	• Concerning receivables:				
	– Amounts due from related parties	☐	☐	☐	
	• Concerning tangible fixed assets:				
	– Undeveloped property	☐	☐	☐	
	– Land and buildings	☐	☐	☐	
	– Equipment and facilities	☐	☐	☐	
	– Tangible fixed assets under construction	☐	☐	☐	
3/14	– Other tangible fixed assets	☐	☐	☐	
	• Concerning financial assets:				

FER	Text	YES	N/A	N.M.	Ref.
	– Securities	☐	☐	☐	
	– Deferred tax assets	☐	☐	☐	
3/15	– Investments	☐	☐	☐	
	– Amounts due from related parties	☐	☐	☐	
	– Other financial assets	☐	☐	☐	
	• Concerning intangible assets:				
	– Acquired intangible assets	☐	☐	☐	
	– Intangible assets generated internally (specifically capitalised development expenses)	☐	☐	☐	
	– Goodwill	☐	☐	☐	
	• Concerning provisions:				
	– Tax provisions (for deferred taxes)	☐	☐	☐	
	– Provisions from employee benefit obligations	☐	☐	☐	
	– Restructuring provisions	☐	☐	☐	
	– Other provisions	☐	☐	☐	
	• Concerning equity:				
	– Amounts of each category of capital of the entity	☐	☐	☐	
3/4	The changes of the individual positions of the equity between the beginning and the end of a reporting period are reported separately in the statement of changes in equity.	☐	☐	☐	
3/5	Provisions in positions of the current assets and in positions of the financial assets are disclosed in the notes. If the indirect method is applied the cumulated depreciation of positions of the tangible fixed assets are reported separately, either under the appropriate assets or in the notes.	☐	☐	☐	
	Income statement				
3/6	The **income statement** can either be presented according to the period-based costing method or to the activity-based costing method.	☐	☐	☐	
3/7	The income statement according to the **period-based costing method** is presented at least as follows:	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
3/17*, 3/18*, 3/19*	• Net sales from goods and services arising from ordinary business activities (sales comprise the value of the rendered service less sales reductions such as discounts and reductions)	☐	☐	☐	
	• For intermediary activities only the value of the self-performed services is disclosed	☐	☐	☐	
	• Other operating income	☐	☐	☐	
	• Change in inventory of finished and unfinished goods as well as unbilled goods and services	☐	☐	☐	
	• Raw material expense	☐	☐	☐	
	• Personnel expense	☐	☐	☐	
	• Depreciation on tangible fixed assets	☐	☐	☐	
	• Amortisation of intangible assets	☐	☐	☐	
	• Other operating expense	☐	☐	☐	
	= Operating result	☐	☐	☐	
	• Financial result	☐	☐	☐	
	= Ordinary result	☐	☐	☐	
	• Non-operating result	☐	☐	☐	
	• Extraordinary result	☐	☐	☐	
	= Profit/loss before income taxes	☐	☐	☐	
	• Income taxes (Current tax expenses (11/3) and deferred tax expenses (11/10) are disclosed)	☐	☐	☐	
	= Profit/Loss	☐	☐	☐	
3/8	The income statement according to the activity-based costing method is presented as follows:				
3/17*, 3/18*, 3/19*	• Net sales from goods and services arising from ordinary business activities (sales comprise the value of the rendered service less sales reductions such as discounts and reductions) For intermediary activities only the value of the self-performed services is disclosed	☐	☐	☐	
	• Cost of goods or services sold	☐	☐	☐	
	• Administrative expense;	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
	• Selling expense	☐	☐	☐	
	• Other operating income	☐	☐	☐	
	• Other operating expense	☐	☐	☐	
	= Operating result	☐	☐	☐	
	• Financial result	☐	☐	☐	
	= Ordinary result	☐	☐	☐	
	• Non-operating result	☐	☐	☐	
	• Extraordinary result	☐	☐	☐	
	= Profit/loss before income taxes	☐	☐	☐	
	• Income taxes	☐	☐	☐	
	= Profit/Loss	☐	☐	☐	
3/9	The following items are disclosed separately in the income statement or in the notes and explained in the notes:				
	• Financial Expense and income	☐	☐	☐	
3/21	• Non-operating expense and income (Non-operating result is expense and income which arise from events or transactions which clearly differ from the operating activities of the entity)	☐	☐	☐	
3/22	• Extraordinary expense and income (Expense and income which arise extremely rarely in the context of the ordinary operations and which are not predictable are considered as extraordinary)	☐	☐	☐	
3/10	The following items are disclosed in the notes if the activity-based income statement presentation method is selected				
	• :Personnel expense;	☐	☐	☐	
	• Depreciation on tangible fixed assets;	☐	☐	☐	
	• Amortisation of intangible assets.	☐	☐	☐	

* This provision was adjusted, resp. complemented in the course of the revision of FER standards regarding the policy of revenue recognition.

Swiss GAAP FER 4 - Cash flow statement

FER	Text	YES	N/A	N.M.	Ref.
4/1	The cash flow statement reflects the changes in cash of the entity as a result of inflows and outflows from				
	• Operating activities;	☐	☐	☐	
	• Investing activities;	☐	☐	☐	
	• Financing activities.	☐	☐	☐	
4/4	The fund cash comprises cash on hand and demand deposits with banks and other financial institutions. Cash also comprises cash equivalents kept as cash reserve; these are short-term highly liquid investments that are convertible to cash at any time and which are subject to an insignificant risk of change in value.	☐	☐	☐	
4/6, 4/14	Non liquidity-related investing and financing activities are not recognised in the cash flow statement; They are explained in the notes to the financial statements. This is for example: • Purchase of assets against issuance of own shares / own units of the capital of the entity or through increase of capital (e.g. investment in kind); • Purchase of an entity through issuance of own shares / own units of the capital of the entity (e.g. merger); • Issuance of bonus shares; • Conversion of financial liabilities in equity (e.g. convertibles or debt waivers); • Purchase of assets through finance leasing.	☐	☐	☐	
I	**Cash flow from operating activities**				
4/2	The cash flow from operating activities can either be presented following the direct or following the indirect method. If the direct method is used, a transcription of the result for the period (or possibly the operating result) to the cash flow from operating activities is presented in the notes.	☐	☐	☐	
4/9	The cash flow from operating activities can be determined following the **direct method** and comprises inflows and outflows from the operating activities. It is classified as follows:	☐	☐	☐	
	+ inflows from clients for the sale of products, goods and services (deliveries and services);	☐	☐	☐	
	- outflows to providers (deliveries and services);	☐	☐	☐	
	- outflows to staff;	☐	☐	☐	
	+ other inflows;	☐	☐	☐	
	- other outflows.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
	= cash inflow / drain from **operating activities** (operative cash flow)	☐	☐	☐	
4/10	The cash flow from operating activities can be determined following the **indirect method**. This method starts with the result of the period and corrects it by the expense and income not affecting the fund or the cash, respectively. The cash flow from operating activities is classified as follows:				
	Profit / loss	☐	☐	☐	
	+/– depreciation/write-up (revaluations resulting in profit) of tangible fixed assets;	☐	☐	☐	
	+ / – loss from impairment / (partial or full) reversal of impairment;	☐	☐	☐	
	+/– increase / decrease of provisions (including deferred income taxes) that do not affect the fund;	☐	☐	☐	
	+/– other expense / income that do not affect the fund;	☐	☐	☐	
	+/– loss / profit from the disposal of tangible fixed assets;	☐	☐	☐	
	+/– decrease / increase of receivables from deliveries and services;	☐	☐	☐	
	+/– decrease / increase of inventories;	☐	☐	☐	
	+/– decrease / increase of other receivables and prepayments and accrued income;	☐	☐	☐	
	+/– increase / decrease of payables from goods and service;	☐	☐	☐	
	+/– increase / decrease of other short-term liabilities and accrued liabilities and deferred income;	☐	☐	☐	
	= cash inflow / drain from **operating activities** (operative cash flow)	☐	☐	☐	
II	**Cash flow from investing activities**				
4/11	The investing activities comprise additions to and disposals of tangible fixed assets and financial assets, acquisitions and disposals of entities as well as intangible assets. It is classified as follows:				
	– outflows for investment (purchase) of tangible fixed assets;	☐	☐	☐	
	+ inflows from disposal (selling) of tangible fixed assets;	☐	☐	☐	
	– outflows for investment (purchase) of financial assets (including loans, investments, securities etc.);	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
	+ inflows from disposal (selling) of financial assets (including loans, investments, securities etc.);	☐	☐	☐	
	– outflows for investment (purchase) of intangible assets;	☐	☐	☐	
	+ inflows from disposal (selling) of intangible assets;	☐	☐	☐	
	= cash inflow / drain from **investing activities**	☐	☐	☐	
III	**Cash flow from financing activities**				
4/12	The financing activities comprise changes of financial liabilities and of the equity paid in as well as profit distribution. Those are classified as follows:				
	+ inflows from capital increase (including agio);	☐	☐	☐	
	- outflows for capital reductions with release of resources;	☐	☐	☐	
	- distribution of profits to holders of units of the capital;	☐	☐	☐	
	–/+ purchase / disposal of own shares / own units of the capital of the entity;	☐	☐	☐	
	+ inflows from a bond-issuance;	☐	☐	☐	
	– outflows for bond-repayments;	☐	☐	☐	
	+/– issuance / repayment of short-term financial liabilities;	☐	☐	☐	
	+/– issuance / repayment of long-term financial liabilities;	☐	☐	☐	
	= cash inflow / drain from **financing activities**	☐	☐	☐	

Swiss GAAP FER 5 - Off-balance sheet transactions

FER	Text	YES	N/A	N.M.	Ref.
4/10	Off-balance-sheet transactions are: • Contingent liabilities (debt guarantees, guarantee obligations and liens in favour of third parties as well as all other obligations with contingent character), and • Other non-recognisable commitments (irrevocable payment obligations from contracts that do not need to be recognised as liabilities and other fixed delivery obligations and commitments (e.g. investment commitments, warranty obligations, irrevocable loan commitments, long-term rental contracts, liabilities from not recognised leasing obligations).	☐	☐	☐	
	Contingent liabilities and other non-recognised commitments and their valuation principles are disclosed in the notes. The reported amounts are broken down into: • debt guarantees, guarantee obligations, and liens in favour of third parties; • other measurable commitments with a contingent character; • Other non-recognisable commitments.	☐	☐	☐	
	Entities with a formal business purpose of granting loans and credits have disclosed credit and loan commitments only, if the commitment period exceeded the legal notice period.	☐	☐	☐	

Swiss GAAP FER 6 - Notes

FER	Text	YES	N/A	N.M.	Ref.
	The notes disclose at least:				
6/2	• Applied accounting principles that comprise:	☐	☐	☐	
	– The valuation basis;	☐	☐	☐	
	– The valuation principles for the individual balance sheet items, and;	☐	☐	☐	
	– In the case of variances from the selected valuation basis: objective reasons;	☐	☐	☐	
	– In the case of changes of an applied principle: explanation, type and financial consequences;	☐	☐	☐	
	– In the case of errors in prior year financial statements: explanation and quantification;	☐	☐	☐	
	– Changes of accounting estimates;	☐	☐	☐	
	• Explanations to the other components of the financial statements:	☐	☐	☐	
6/7	– To the Balance sheet: » Assets charged and type of charge; » Disclosure of the long-term liabilities, including type and form of the securities provided.	☐	☐	☐	
6/8*	– To the Income statement: – The notes disclose essential revenue sources and their recognition.	☐	☐	☐	
6/3	• Extraordinary pending deals and risks (e.g. legal cases);	☐	☐	☐	
	• Events occurring after the balance sheet date.	☐	☐	☐	
6/4	• Additional facts whose disclosure is required by other applicable recommendations.	☐	☐	☐	

* This provision was adjusted, resp. complemented in the course of the revision of FER standards regarding the revenue recognition.

Additional FER (FER 10 - 28)

Swiss GAAP FER 10 - Intangible assets

Intangible assets are of **non-monetary nature** and **without physical substance**. They are called intangible assets provided that they are identifiable and can be capitalised.

Acquired intangible assets can also derive from acquisitions of parts of an entity (e.g. transfer of assets, mergers).

Intangible assets determined as **held for sale** are dealt with as inventories.

FER	Text	YES	N/A	N.M.	Ref.
10/2	Intangible assets are - if significant - broken down in the balance sheet or in the notes using the following categories (further, other intangible assets are broken down if substantial additional categories exist):	☐	☐	☐	
	• Licences / franchising;	☐	☐	☐	
	• Patents and technical know-how;	☐	☐	☐	
	• Trademarks and publishing rights;	☐	☐	☐	
	• Software;	☐	☐	☐	
	• Development cost;	☐	☐	☐	
	• other intangible assets.	☐	☐	☐	
14/15	***Note:*** *The other intangible assets can comprise:* • *formulae;* • *allotments, franchises, copyrights, intellectual property;* • *legal right, samples, models, plans;* • *other rights (user rights, exploration rights);* • *Client base.*				
I	**Capitalization**				
10/3	Acquired intangible assets are capitalised if they yield measurable economic benefits for the entity over several years.	☐	☐	☐	
10/4	The following conditions are met for internally generated intangible assets:				
	• The intangible assets generated internally are identifiable and are controlled by the entity;	☐	☐	☐	
	• The intangible assets generated internally will yield a measurable benefit for the entity over several years;	☐	☐	☐	
	• The expense which arise from the creation of the intangible assets generated internally is recognised and measured separately;	☐	☐	☐	
	• It is likely that the resources needed to complete and sell or to use the intangible assets for own purposes are available or will be made available.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
10/19	Examples for intangible assets that cannot be capitalised are: • Goodwill generated internally; • Expenses for training and continuing education; • Restructuring expense; • Expense for basic and applied research; • Expense for incorporation and organisation.	☐	☐	☐	
10/5	Expenses for identifiable intangible assets that cannot be capitalised are charged to the result of the period.	☐	☐	☐	
10/6	Expenses for intangible assets generated internally charged to the result of the period were not capitalized subsequently.	☐	☐	☐	
II	**Valuation**				
10/7	Intangible assets that can be capitalized are valued at acquisition cost or at production cost at the most. If expense incurred is higher than the recoverable amount, as determined at the recognition date, the latter is decisive. Any difference between higher expense incurred and the recoverable amount is charged to the result of the period (higher amount between the net selling price and the value in use).	☐	☐	☐	
10/8	The capitalised value is carefully estimated systematically and charged (normally linearly) systematically over the useful life to the result of the period (amortisation).	☐	☐	☐	
	If the useful life cannot be clearly determined an amortisation period of five years is applied, in justified cases one of twenty years at the most.	☐	☐	☐	
	For intangible assets related to individuals the useful life may not exceed five years.	☐	☐	☐	
10/9	The estimated useful life and method of the amortisation of the intangible assets is disclosed in the notes.	☐	☐	☐	
10/10	Subsequent changes of the determined useful live are:	☐	☐	☐	
	Disclosed in the notes;	☐	☐	☐	
	Quantified in terms of their impact on the balance sheet and income statement.	☐	☐	☐	
10/11	The carrying amount of intangible assets has been reviewed in terms of possible impairments at each balance sheet date. The regulations for impairment of assets are applied. In case of an existing impairment, the carrying amount is reduced to reflect the recoverable amount.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
III	**Disclosure**				
10/12	The information to the statement of changes in intangible assets is disclosed in a table format in the notes.	☐	☐	☐	
10/13, FW/31	The statement of changes in intangible assets contain the following for each category and is completed for two years:	☐	☐	☐	
	Cost				
	• Accumulated gross values at the beginning of the period;	☐	☐	☐	
	• Additions of intangible assets;	☐	☐	☐	
	• Disposals of intangible assets;	☐	☐	☐	
	• Reclassifications;	☐	☐	☐	
	• Accumulated gross values at the end of the period.	☐	☐	☐	
	Accumulated amortisation				
	• Accumulated amortisation at the beginning of the period;	☐	☐	☐	
	• Systematic amortisation;	☐	☐	☐	
	• Impairment;	☐	☐	☐	
	• Disposals;	☐	☐	☐	
	• Reclassifications;	☐	☐	☐	
	• Accumulated amortisation at the end of the period.	☐	☐	☐	
	Net carrying amount				
	• Net carrying amount at the beginning and at the end of the period	☐	☐	☐	

Swiss GAAP FER 11 - Income Taxes

Current and future income tax effects are adequately considered in the financial statements. A distinction between the calculation of **current income taxes** and **deferred taxes** was made.

Deferred income taxes arise if valuation principles used to establish financial statements are different from the rules relevant for tax law; i.e. the values of assets and liabilities according to the balance sheet differ from the relevant values according to tax law.

FER	Text	YES	N/A	N.M.	Ref.
I	**Current income taxes**				
11/2	Current income taxes on the relevant profit are calculated in accordance with the rules established by the relevant local tax authorities.	☐	☐	☐	
11/14	***Note:*** *Other public duties and charges do not constitute income taxes.*				
11/3	The current tax expenses are recognised in the financial statements.	☐	☐	☐	
11/4	Liabilities from current income taxes are classified as accrued liabilities or as other short-term liabilities.	☐	☐	☐	
II	**Deferred income taxes**				
11/5	Due to the application of values determined by the true & fair view principles, valuation differences in comparison to the values decisive for tax law purposes arise. Thereon deferred income taxes were considered.	☐	☐	☐	
11/17	**Note**: *If temporary differences arise in connection with a revaluation which results in respective deferred income taxes, these are recognised as deferred tax provisions without affecting the result of the period and are separately disclosed in the notes.*				
11/6	The annual accrual of the deferred taxes is based on a balance sheet perspective (balance sheet method) and should consider all future income tax effects (comprehensive method).	☐	☐	☐	
11/22	***Notes***: *When determining temporary differences, potential tax losses carried forward can be considered together with other temporary differences resulting in deferred income tax assets and be netted with temporary differences resulting in deferred income tax provisions.*				
11/23	Deferred income tax assets on temporary differences and on tax losses carried forward are only capitalised if it is probable that they can be realised in future through sufficient taxable profits.	☐	☐	☐	
11/7	Deferred taxes are calculated separately for each business period and each tax subject. Deferred tax assets and deferred tax liabilities are only netted if they relate to the same tax subject.	☐	☐	☐	
11/8, 11/24	Deferred taxes are calculated by using the expected future tax rates or – if not known – the tax rates valid at the balance sheet date. Deferred taxes are calculated on the basis of the tax rate expected for each tax subject.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
11/9	Deferred tax liabilities are classified as tax provisions, deferred tax assets are classified as financial assets, each separately.	☐	☐	☐	
11/10	Deferred tax expense (income) is the result of the periodic changes of the deferred taxes and is shown in the financial statements.	☐	☐	☐	
11/25	***Note:*** *Changes of the deferred taxes resulting from changes in foreign currencies are not part of the deferred income tax expense (income).*				
III	**Disclosure**				
11/11	The entitlement for deferred income taxes on tax losses carried forward not yet used is disclosed in the notes.	☐	☐	☐	

Swiss GAAP FER 13 - Leases

A lease is a contract whereby the lessor conveys to the lessee in return for a periodic payment the right to use an asset for an agreed period of time.

A lease agreement can either be a **finance lease** or an **operating lease**. The **differentiation is based on economic criteria**. In general, a finance lease exists if:

- at the signing date of the contract the present value of the lease payments including a possible final payment approximates the acquisition cost or the market value of the leased asset, or
- the expected lease term is not differing substantially from the economical useful life of the leased asset, or
- the leased asset will become the property of the lessee at the end of the lease term, or
- a possible final payment at the end of the lease term is substantially below its respective current market value.

All lease contracts which do not qualify as finance leases are considered to be operating leases.

FER	Text	YES	N/A	N.M.	Ref.
13/4	Finance lease is capitalized and separately presented.	☐	☐	☐	
	The carrying amount of the assets under finance lease and the total amount of the related liabilities are disclosed in the balance sheet or in the notes.	☐	☐	☐	
13/10	In Finance Lease the lower amount of the acquisition cost, resp. the market value, together with the present value of the future lease payments was capitalized.	☐	☐	☐	
	In subsequent periods the asset is depreciated in line with its useful life.	☐	☐	☐	
	For the purpose of an annuity calculation, lease payments are broken down in:				
	• an interest component, and	☐	☐	☐	
	• a repayment component.	☐	☐	☐	
13/5	Operating lease is not capitalised. Operating lease commitments which cannot be cancelled within a year are disclosed in the notes. At least the following is disclosed:				
13/11	• The total amount of future lease payments;	☐	☐	☐	
	• Maturity pattern of future lease payments.	☐	☐	☐	
13/6	A profit resulting from the disposal of tangible fixed assets with a subsequent finance lease (sale and lease back) is recognised as deferred income in the financial statements and released over the duration of the lease contract. A loss resulting from the disposal of tangible fixed assets with a subsequent finance lease (sale and lease back) was fully and immediately charged to the result of the period.	☐	☐	☐	

Swiss GAAP FER 15 - Related party transactions

Transactions under this recommendation are transfers of assets or liabilities, rendering of services, as well as assuming of liabilities and of contingent liabilities.

Parties (natural persons or legal persons) are considered to be related if **one party has the ability to directly or indirectly exercise significant influence on the other party (entity) in making financial or operative decisions**. Entities that are controlled directly or indirectly by the same related parties are also considered to be related.

All significant transactions and the resulting receivables from or payables to related parties are disclosed in the financial statements.

Related party transactions are not automatically comparable to those with independent third parties, because these transactions do not necessarily have to be set up at market conditions due to the special relationship. The knowledge of significant transactions with related parties is therefore important to the addressees of financial statements.

FER	Text	YES	N/A	N.M.	Ref.
15/7	Examples of related parties and entities are:				
	• Members of the board of directors and of the executive committee;	☐	☐	☐	
	• Entities, in which the reporting entity has a significant interest;	☐	☐	☐	
	• Unit-holders of the reporting entity, who are exercising directly or indirectly, at their own or together with others, a significant influence over the entity. A voting right of 20% and more is generally considered to provide for a significant influence;Entities, which are controlled by related parties;	☐	☐	☐	
	• Entities, which are controlled by related parties;	☐	☐	☐	
	• Pension funds.	☐	☐	☐	
15/8	The **following parties are not considered to be related,** as long as no other reasons are indicating a significant influence:	☐	☐	☐	
	Two entities only because they have common members of the boards of directors or of the executive committees;	☐	☐	☐	
	Trade unions, authorities and public monopoly entities;	☐	☐	☐	
	A single customer or supplier with a close or dominant relationship;	☐	☐	☐	
	Insurance companies and banks in connection with their ordinary business activities with their client.	☐	☐	☐	
15/9	**Examples for transactions,** which can require disclosure are:				
15/10	***Note:*** *Not to be disclosed as related party transactions are ordinary compensation of related parties from their activities as employees or as specifically appointed bodies as well as ordinary contributions to pension funds.*				
	• Sales and purchases (including those of tangible fixed assets);	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
	• Commissions and license agreements;	☐	☐	☐	
	• Financing;	☐	☐	☐	
	• Rendering or receiving of services and know how;	☐	☐	☐	
	• Sales and purchases (including those of tangible fixed assets);	☐	☐	☐	
	• Rent or lease transactions;	☐	☐	☐	
	• Transfer of research and development;	☐	☐	☐	
	• Guarantees and collateral;	☐	☐	☐	
	• Property transactions with own pension funds.	☐	☐	☐	
15/11	The following matters are **disclosed:**				
	• Description of the transaction;	☐	☐	☐	
	• Volume of the transaction (normally an amount or a relative number);	☐	☐	☐	
	• The other significant conditions;	☐	☐	☐	
	• The identity of the related party, only if this is necessary for the understanding of the transaction.	☐	☐	☐	
	Note: *Similar transactions and receivables / payables (also with different related parties) can be summarised in categories, as long as the separate disclosure is not necessary for the understanding of the financial statements.*				

Swiss GAAP FER 16 - Pension benefit obligations

This recommendation treats the accounting of the real economic impacts of pension benefit obligations on the entity (employer). Pension benefit obligations are all obligations from pension plans and pension institutions which provide benefits for retirement, death and disability. As pension benefits institutions must be independent in Switzerland, the term pension institution is used in this recommendation for simplification reasons. This recommendation does not address pension institutions themselves. With the recognition of the real economic impacts of the pension institutions by the entity there is no legal effect linked in favour of or on account of the pension institution.

The presentation of the real economic impacts from pension benefit obligations is based on the clarification whether, at the balance sheet date, in addition to the contribution of the entity and the respective cut-offs already recognised, there is any further asset (economic benefit) or liability (economical obligation). This recommendation requires the recognition of the difference between the annually determined economic benefit or economical obligation in the result of the period.

Swiss pension institutions establish their financial statements according to Swiss GAAP FER 26. Those financial statements disclose any surpluses and deficits as well as separately existing employer contribution reserves of entities and are, together with the contractual regulations, a suitable basis for the required review. Additional calculations on the part of the entities are therefore not needed but may optionally be established and applied according to internationally accepted principles.

This recommendation treats the economic impacts of pension benefit obligations on an entity. Pension benefit obligations are all plans, institutions and dispositions which provide benefits for at least one of the contingencies retirement, death and disability.

FER	Text	YES	N/A	N.M.	Ref.
I	**Recognition**				
In the income statement					
16/3	The difference to the respective value of the prior year is recognized (together with the expenses concerning the business period) as personnel expenses in the result (income statement) of the period.	☐	☐	☐	
	Economic benefits are recognised as long-term financial assets under the term “assets from pension institutions”.	☐	☐	☐	
	Economical obligations are recognized as long-term liabilities.	☐	☐	☐	
In the balance sheet					
16/3	It is annually assessed whether, from the point of view of the entity, an economical benefit or economical obligations from a pension obligation (and from a patronage fund) exist.	☐	☐	☐	
	Bases for the assessment are contracts, financial statements of the pension institutions (that are established under Swiss GAAP FER 26 in Switzerland) and other calculations presenting the financial situation, the existing surplus and deficit for each pension institution according to the effective circumstances.	☐	☐	☐	
	On these bases the economic benefit and economical obligation is determined and recognised for each pension institution	☐	☐	☐	
16/7	In the case of a deficit an economical obligation exists, if the conditions for establishing a provision are met.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
16/11	In the case of a surplus, an economical benefit exists, if it is permitted and intended to use the surplus to decrease the employer contributions, to reimburse it to the employer based on local law or to use it beyond the statutory benefits for another economic benefit of the employer.	☐	☐	☐	
	The following peculiarities apply to pension institutions in Switzerland for determining the surplus or deficit according to Swiss GAAP FER 26:				
	• The basis for the determination of the economic benefits or economical obligations is the non-committed funds or the underfunding recognised in the pension institution.	☐	☐	☐	
	• The reserve for fluctuation in asset value as recognised and based on the pension institution's consistent practice cannot be considered as part of the economic benefit of the entity.	☐	☐	☐	
II	**Employer contribution reserves**				
16/4	Employer contribution reserves or similar items are recognised as assets.	☐	☐	☐	
	If the entity has granted to pension institutions a conditional renounced use, or thinks to do so short after the balance sheet date, the asset from employer contribution reserve is provided for.	☐	☐	☐	
	The part of a deficit that is considered in the balance sheet of the entity through the provision regarding the employer contribution reserve does no longer need to be counted as economical obligation from a deficit.	☐	☐	☐	
	Employer contribution reserves are recognised as long-term financial assets under the term "assets from employer contribution reserve".	☐	☐	☐	
	The difference to the respective value of the prior year is recognised as personnel expense in the result (income statement) of the period.	☐	☐	☐	
III	Notes				
16/5	In the notes the following information is disclosed in a table format separately for:				
	• Patronage funds / patronage pension institutions;	☐	☐	☐	
	• Pension institutions without surplus / deficit;	☐	☐	☐	
	• Pension institutions with surplus;	☐	☐	☐	
	• Pension institutions with deficit;	☐	☐	☐	
	• Pension institutions without own assets;	☐	☐	☐	
	• Amount of the surplus or deficit at the balance sheet date;	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
	• Economic benefit or economical obligations, respectively, at the actual and at the prior year balance sheet date;	☐	☐	☐	
	• Change of the economic benefit and economical obligations, respectively, as difference between the two disclosed balance sheet dates;	☐	☐	☐	
	• The contributions concerning the business period (including result from employer contribution reserve) indicating extraordinary contributions in the case of exercised temporary measures to remove deficits;	☐	☐	☐	
	• The pension benefit expense with their most important parameters – as part of the personnel expense – for the actual and the prior year period. The pension benefit expense of the actual period results as sum of the changes in economic benefits or economical obligations and the contributions concerning the business period (including the result from employer contribution reserve).	☐	☐	☐	
	The inclusion of economic benefits and economical obligations in the balance sheet is being explained.	☐	☐	☐	
16/4	Concerning employer contribution reserves the following is disclosed in the notes in a table format and – where necessary – specifically for:				
	• Patronage funds / patronage pension institutions;	☐	☐	☐	
	• Pension institutions;	☐	☐	☐	
	• Nominal value of the employer contribution reserve at the balance sheet date;	☐	☐	☐	
	• Amount of any renounced use at the balance sheet date;	☐	☐	☐	
	• Accumulation of employer contribution reserves;	☐	☐	☐	
	• Amount of the asset at the actual as well as at the prior year balance sheet date;	☐	☐	☐	
	• Result from employer contribution reserve, their most important parameters – as part of the personnel expense – for the actual as well as for the prior year. The result from employer contribution reserve of the actual year results from the difference between the amount of the asset at the actual balance sheet date and the prior year balance sheet date considering any accumulation. In case that the result from employer contribution reserve contains interest income or expense these can be separately disclosed in the financial result.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
16/7	The determination of the economic impact is based on the financial situation of each pension institution according to its last annual closing, and whose balance sheet date may not be older than 12 months. If there are indications indicating that significant developments (e.g. fluctuations in values, partial liquidations etc.) have taken place since the last annual closing, such impacts are considered and disclosed in the notes.	☐	☐	☐	
16/8	If a pension institution does not bear the risk (e.g. in case of a full insurance in the frame of a collective insurance contract), this is disclosed in the notes.	☐	☐	☐	
16/8	If in connection with the affiliation to a collective plan, the information to be disclosed cannot be determined on the basis of the individual contract; this is disclosed in the notes together with the coverage of the collective plan taken as a whole.	☐	☐	☐	

Swiss GAAP FER 17 - Inventories

Inventories represent:

- Goods held for sale in the ordinary course of business including work in progress and materials or supplies that are consumed in the production process or in the rendering of services;
- Services delivered but not billed yet.

Prepayments for inventories received from clients may be deducted from the carrying amount of the inventories if no right for claw back exists. Effected prepayments for the delivery of assets belonging to the inventories are to be recognised as inventories. Alternatively a separate classification in the current assets is possible.

Whether goods are classified as inventories and thus as current assets (instead of fixed assets) are dependent on whether such assets are held for sale in the course of business of the entity.

Supplies that are only indirectly consumed in the production process of inventories (e.g. lubricant, fuel, other materials for consumption) may be classified as inventories, although they are not primarily held for sale. They are to be disclosed separately in the balance sheet or in the notes.

Spare parts for long living goods (e.g. spare parts for the aircraft or machinery industry) may possibly be classified as tangible fixed assets.

FER	Text	YES	N/A	N.M.	Ref.
I	**Valuation**				
17/3 ***17/12*** ***17/13*** ***17/14***	Inventories are measured at the **lower of acquisition or production cost** and **fair value less cost to sell.** ***Note:*** *Acquisition or production cost on the one hand and fair value less cost to sell on the other hand should be compared. The lower value between cost and market is to be applied for inventories (lower of cost and market).* *The comparison is done on the basis of the individual valuation principle. Similar or equivalent items with the same percentage of completion may be valued on an aggregated basis so far as the inventories are marketable. Work in progress and finished goods, specifically produced upon client requests, must be individually assessed using the individual valuation principle.* *The starting point for the determination of the fair value less cost to sell is the prevailing market price. The normal sales price reductions, the distribution cost as well as the administration cost to be incurred have to be deducted from the actual market price. For unfinished goods without market price, the expected expenses required for the completion and the gross margin are to be deducted from the market price of the finished goods.*	☐	☐	☐	
II	**Cost of acqisition**				
17/4	The acquisition or production cost of inventories comprises all direct and indirect expense required for making the inventories available at their present location and in their current condition (full cost). Basically the determination of the acquisition and production cost of inventories is based on the actual cost incurred (actual cost).	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
17/17	The determination of the acquisition or production cost of inventories is measured for each item and project individually or by simplified valuation methods such as cost formulas (based on cost or consumption), standard cost, planned cost or retail method. Similar items of inventories may be measured as a group.	☐	☐	☐	
	Purchase cost comprise purchase price including incidental charges (e.g. for transportation, freight, unloading, duties, provisions etc.) less purchase price reductions (e.g. rebates, refunds etc.).	☐	☐	☐	
17/18	Settlement discounts (in the sense of deduction for a quick payment) can be dealt with as purchase price reduction or as financial income. The chosen principle is disclosed in the notes.	☐	☐	☐	
III	**Cost of production**				
17/19	Production cost also comprise, besides the direct expense of the warehouse and the production department (including special direct expense), the general expenses for materials and production as well as the related administration expense of the production department, regardless of whether they are considered to be variable cost or fixed cost. But not the distribution cost.	☐	☐	☐	
17/20 – 17/23	***Note:*** *Normal capacity is the basis for the calculation of indirect cost. Normal capacity is the one that is achieved regularly during more than one period; idle time has to be deducted. Depreciation of tangible fixed assets should be based on realistic useful lives. The recognition of borrowing cost is only justified in special cases, mainly in connection with long-term construction contracts. Interest on equity is never capitalised.* *The weighted average formula is one of the cost formulas. Under this formula the consumption and the closing inventory are valued at the average price of the opening inventory and of the additions. The average is calculated permanently or periodically (e.g. monthly based on the latest 30 days).* *In order to ensure valuation close to market cost formulas like first-in-first out and similar formulas are permitted. Last-in-first-out formula does not allow a valuation close to market.* *The application of the standard cost or planned cost method is allowed, if it results in a justifiable approximation to acquisition or production cost. The capacity used in the planning is reviewed periodically.* *Under the retail method acquisition cost are calculated based on sales prices less margin (usually the comparison of sales prices and acquisition cost becomes unnecessary.) The margin used must reflect any sales price reductions. The use of an average margin for groups of inventories is allowed if the margin of such a group is largely the same. The use of the retail method does not result in a valuation in excess of effective acquisition cost.*	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
17/5, 17/16	If acquisition or production cost exceeded the fair value less cost to sell, a provision of inventories to their lower fair value less cost to sell is charged to the result of the period. Provisions that are no longer necessary were reversed to the result of the period.	☐	☐	☐	
17/27	The changes in provisions are recognised as raw material expense or as change in inventory of finished and unfinished goods as well as unbilled goods and services.	☐	☐	☐	
IV	**Disclosure**				
17/6	The balance sheet or the notes disclose for inventories:				
	• The breakdown of the carrying amount in further categories appropriate to the business activities;	☐	☐	☐	
	• The applied valuation methods and principles.	☐	☐	☐	
17/11	• The amount of any prepayment of customers netted with the inventories is disclosed in the balance sheet using a separate column to the appropriate position or in the notes.	☐	☐	☐	
17/28	The classification in the balance sheet or in the notes reflect the most important items of inventories for the course of business of the entity (the terms used reflect the practice of the industry sector). For example:				
	• Raw material;	☐	☐	☐	
	• Supplies;	☐	☐	☐	
	• Semi-finished goods;	☐	☐	☐	
	• Work in process;	☐	☐	☐	
	• Finished goods;	☐	☐	☐	
	• Trade goods.	☐	☐	☐	

Swiss GAAP FER 18 - Tangible fixed assets

Tangible fixed assets (tangible long-lived assets, property, plant and equipment) are tangible and are used for the production of goods, for rendering of services or for investment purposes. Tangible fixed assets can be acquired or self-produced..

FER	Text	YES	N/A	N.M.	Ref.
	At least the following categories of tangible fixed assets are recognised in the balance sheet or in the notes: ***Note*:** Machines and equipment as well as other tangible fixed assets should be further broken down if additional categories are significant. Prepayments on tangible fixed assets under construction should be disclosed separately, if significant.				
	• Undeveloped property;	☐	☐	☐	
	• Land and building;	☐	☐	☐	
	• Machines and equipment;	☐	☐	☐	
	• Tangible fixed assets under construction;	☐	☐	☐	
	• Other tangible fixed assets.	☐	☐	☐	
I	**Aktivierung**				
18/3	Expenditures for new tangible fixed assets are **capitalized,** if they meet the following criteria: A net selling price (net realizable value) or a value in use exists; Tangible fixed asset are used during more than one period; Its value exceeds an individually defined minimal value for capitalisation.	☐	☐	☐	
18/4	Tangible fixed assets generated internally are capitalised if the respective production cost can be recognised and measured separately. The expected useful life does not exceed one period.	☐	☐	☐	
	Capitalised cost of production does not exceed the value in use. General cost for administration or distribution or other cost that are not directly attributable as well as profit are not capitalised.	☐	☐	☐	
18/5	Subsequent expenditures for existing tangible fixed assets were capitalized if the market value or the value in use or the useful live substantially increased.	☐	☐	☐	
18/23	***Note:*** *Expenditures for maintenance and repair without increasing the actual market value or value in use are charged to the result of the period.*	☐	☐	☐	
18/6	**Initial recognition:** Tangible fixed assets are initially recognised at acquisition or production cost.	☐	☐	☐	
18/7	For the **capitalisation of borrowing** cost during the construction phase the following conditions are met:	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
	• The carrying amount of tangible fixed assets including capitalised borrowing cost does not exceed the value in use at the time of initial recognition;	☐	☐	☐	
	• The capitalisation of borrowing cost is calculated, as a maximum, with the average interest rate on interest bearing liabilities on the average carrying amount of tangible fixed asset;	☐	☐	☐	
	• The total of the capitalised borrowing cost does not exceed the total of borrowing cost incurred in the relevant period.	☐	☐	☐	
II	**Valuation**				
18/8	**Subsequent to initial recognition** tangible fixed assets kept for use are valued at acquisition or production cost less accumulated depreciation and impairment.	☐	☐	☐	
18/09, 18/19	The **depreciation** is recognised on a **systematic basis** (straight line, declining or performance proportional) over the useful life of tangible fixed assets. The depreciation starts at the beginning of the operating use of the tangible fixed assets.	☐	☐	☐	
18/24	Systematic depreciation is based on one of the following three methods:				
	• Straight-line method, based on annually equal amounts over the useful life;	☐	☐	☐	
	• Digressive method on the basis of the respective carrying amounts;	☐	☐	☐	
	• Performance based method based on the consumption of the tangible fixed asset (e.g. gravel pit).	☐	☐	☐	
18/12	The systematic depreciation of tangible fixed assets charged to the income statement is computed considering the expected residual value at the end of the useful life.	☐	☐	☐	
18/10	**Impairment review**: The carrying amounts are reviewed **annually** with respect to impairment.	☐	☐	☐	
18/11	Occasionally additional depreciation was recognised for any impairment loss and charged to the result of the period.	☐	☐	☐	
18/14	If, as a result of the impairment review, the useful life of a tangible fixed asset changes, the remaining carrying amount is depreciated systematically over the newly estimated useful life.	☐	☐	☐	
	Tangible fixed assets held exclusively for **investment purposes** (e.g. residential buildings) are, subsequent to initial recognition, measured at actual value or acquisition or production cost less accumulated depreciation. Value increases or re-increases as well as value decreases are recognized in the result of the period. Systematic depreciation beyond the useful life of tangible fixed assets is not admissible if valued according to actual values	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
	Tangible fixed assets acquired and held for trading purposes are classified as current assets and valued accordingly.	☐	☐	☐	
III	**Disclosure**				
18/19	The notes include the valuation methods and -basis for each category.	☐	☐	☐	
18/20	The **depreciation methods** and the **ranges used for the expected useful lives** for each category are disclosed in the notes. In case of broad ranges, the useful lives are discussed in the notes for each category	☐	☐	☐	
	If a depreciation method applied is replaced through another method, this fact is disclosed in the notes. The impact of the change in the depreciation method on the result of the period is disclosed quantitatively and individually for each category.	☐	☐	☐	
18/15	The **statement of changes in tangible fixed assets** is disclosed in the notes (also for the previous year period). The statement of changes is presented in a table format.	☐	☐	☐	
18/16	In case of valuation at acquisition or production cost the changes in tangible fixed assets show at least the following details for each category:				
	• Cost:	☐	☐	☐	
	– Accumulated gross values at the beginning of the period;	☐	☐	☐	
	– Additions of tangible fixed assets;	☐	☐	☐	
	– Disposals of tangible fixed assets;	☐	☐	☐	
	– Reclassifications;	☐	☐	☐	
	– Accumulated gross values at the end of the period.	☐	☐	☐	
	• Accumulated depreciation:	☐	☐	☐	
	– Accumulated depreciation at the beginning of the period;	☐	☐	☐	
	– Systematic depreciation;	☐	☐	☐	
	– Impairment;	☐	☐	☐	
	– Disposals;	☐	☐	☐	
	– Reclassification;	☐	☐	☐	
	– Accumulated depreciation at the end of the period.	☐	☐	☐	
	• Net carrying amounts:	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
	– Net carrying amounts at the beginning and at the end of the period.	☐	☐	☐	
18/18	For the **valuation** of tangible fixed assets **based on actual values,** the statement of changes disclose the following information for each of the categories:	☐	☐	☐	
	Value increase and value decrease of the period;	☐	☐	☐	
	Difference between actual values and original production or acquisition cost.	☐	☐	☐	
18/21	The total of capitalised borrowing cost of a period as well as the method and basis for capitalisation is disclosed in the notes.	☐	☐	☐	
18/17	Tangible fixed assets held exclusively for **investment purposes** (and not for use) are disclosed separately in the notes. They are classified as financial assets or disclosed separately.	☐	☐	☐	

Swiss GAAP FER 20 - Impairment

This recommendation deals with all assets in as far as no special rules exist in other recommendations. Assets are subject to an impairment test at each balance sheet date. This test is based on indicators reflecting a possible impairment of individual assets impaired. If indicators exist, the recoverable amount has to be determined. Such indicators are e.g.:

- Negative development of legal or economic conditions impacting the value of an asset significantly.
- Hints that cash flows of the reporting period, past periods and / or future periods are below expectations thus pointing towards a reduced economic performance of an asset.
- Significant changes in the way or manner an asset is used or indications of obsolescence due to technical changes or damages of an asset.
- Significant reduction of the selling price of an asset (e.g. waste disposal charges for real estate).
- Increased credit risk of receivables and of financial assets.
- The future relevant interest rates increase such that the value in use, resulting from discounted cash flows, significantly decreases.
- Capitalised cost have significantly increased compared to the originally planned acquisition or production cost of an asset.
- The carrying amount of total equity of an entity is significantly higher compared to its stock exchange value.

An asset is impaired if its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the net selling price and the value in use. If one of those exceeds the carrying amount of an asset there is no impairment.

FER	Text	YES	N/A	N.M.	Ref.
I	**Determination of the recoverable amount**				
20/5	The **net selling price** is the price realisable in a transaction between independent third parties less related expenses in connection with the sale.	☐	☐	☐	
20/6	The **value in use** was calculated as the present value of the expected future cash inflows and cash outflows from the further use of an asset including any cash flow at the end of the useful life.	☐	☐	☐	
20/7, 20/25	The **discounting rate** is adequate, taking into account the actual market conditions and the specific risks of the asset, but not the income tax effects and the structure of the equity and liabilities of the entity.	☐	☐	☐	
20/8	The **recoverable amount** is determined for each individual asset (individual valuation of assets).	☐	☐	☐	
20/9, 20/26	If an asset does not generate cash flows independently from other assets, the recoverable amount of the smallest group of assets (cash generating unit) to which the asset belongs to, was determined.	☐	☐	☐	
II	**Recognition of losses from impairments**				
20/10	In case of an existing impairment, the carrying amount must be reduced to reflect the recoverable amount.	☐	☐	☐	
20/11	If the reduction of the carrying amount to zero was not sufficient to reflect the impairment a provision in the amount of the remaining difference was built.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
20/12, 20/13	The impairment loss of assets is charged to the income statement. Impairment losses of assets recognised at actual values are treated as follows:	☐	☐	☐	
	• In cases where a value increase exceeding historical costs has been recognized without impacting the profit in the revaluation reserve of the equity, the impairment loss was deducted from this reserve;	☐	☐	☐	
	• If the impairment loss exceeded the revaluation reserve of the relevant asset, the difference was recognised in the income statement;	☐	☐	☐	
	• In cases where a value increase has been directly recognised in the income statement, any impairment loss was recognised in the income statement.	☐	☐	☐	
20/14	In the case of a cash generating unit the impairment loss is charged proportionally to the other assets on the basis of their carrying amounts.	☐	☐	☐	
III	**Reversal of impairments**				
20/15, 20/16	An impairment loss, recognised in a previous period, is partially or fully reversed if the factors determining the recoverable amount improved significantly (partial or full reversal of impairment). In those cases the new carrying amount is the lower of: • The new determined recoverable amount; • The carrying amount less depreciation as if an impairment loss had never been recognised.	☐	☐	☐	
	The partial or full reversal of impairment is debited to the result of the period.	☐	☐	☐	
	If impairment is reversed for assets recognised at actual values, the partial or full reversal of impairment is debited to the revaluation reserve. If, however, the previous impairment loss of the given asset had been charged to the income statement, the partial or full reversal of impairment is also recognised in the result of the period.	☐	☐	☐	
20/19	In case of a **cash generating unit (CGU),** the partial or full reversal of impairment (excess of recoverable amount over the sum of the carrying amounts of the given assets) is recognised to the assets in proportion to their carrying amounts.	☐	☐	☐	
	The lower of the recoverable amount (if determinable) and the carrying amount less planned depreciation is not exceeded.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
IV	**Disclosure**				
20/20	The amounts of significant impairment losses and partial or full reversal of impairment are disclosed on a one-to-one basis in the income statement or in the notes.	☐	☐	☐	
	Events and circumstances leading to impairment and partial or full reversal of the impairment are explained.	☐	☐	☐	

Swiss GAAP FER 22 - Long-term contracts

A long-term contract is defined as establishing a specific product or performing a specific service for a third party, if the production or service is rendered **over an extended period and if the project is significant to the entity.** This recommendation applies to projects with certain duration of **several months** without requiring a minimal duration.

Long-term contracts are based on contracts negotiated for each single case (works contracts, orders etc.). They are distinct from mass or series production and standardised contracts on account of their individual character. Besides its individual character the meaning of a long-term contract for a company is an important criterion: each single long-term contract represents a big proportion of the sales of the contractor and has a significant impact on the profit of a period. Thus there often are various risks – in parts also those who threaten the existence of the contractor – to be considered at the balance sheet date.

Areas with typical long-term contracts include:

- buildings and civil engineering objects)
- construction of machines and equipment
- construction of power
- plants as well as special order construction of units (e.g. airplanes, locomotive engines,
- housing developments).

Long-term contracts do exist in the area of services, too. Typical examples are projects of architects, engineers, developers (e.g. software, information technology systems, procedures, processes, products, brands).

Basically there are various kinds of long-term contracts:

- **Fixed price contracts** where the performance agreed contractually is based on a fixed price.
- **Cost plus contracts** where the consideration for the contractor is agreed at actual cost plus a premium as percentage of the actual cost or as fixed amount.
- **Unit price contracts** where a price is agreed between the contractor and the client for each completed and delivered unit.

Often, in practice, there are combinations or variations of these kinds of contracts.

FER	Text	YES	N/A	N.M.	Ref.
I	**Recognition and valuation**				
22/2, 22/4	Long-term contracts are recognised according to the **percentage-of-completion method (POCM),** if the following preconditions are cumulatively met:				
	• There is a contractual basis;	☐	☐	☐	
	• There is a high probability that the contractually agreed performance can be delivered by the contractor as well as the client;	☐	☐	☐	
	• There is a suitable project-organisation to run the project;	☐	☐	☐	
	• There is a reliable determination of all financial aspects of the project such as revenue, expense and degree of completion.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
22/15, 22/16	**Accounting Principles:** • Applying the POCM the degree of completion is determined for each project at each balance sheet date; • The income statement contains revenue from the performance of the period reflecting the degree of completion; • Project expenses are charged to the income statement of that period in which the corresponding performance was rendered: • Basically, all expense directly or indirectly allocable to a long-term contract are project expense; • General administration expense, general sales expense and research expense are not considered to be project expense; • Basis for cost-allocation of overhead cost is the standard capacity utilization. • Long-term contracts are capitalised in the balance sheet in the amount of the revenue according to the degree of completion, less any invoiced amounts and prepayments received.	☐	☐	☐	
22/21	**Determination of the degree of completion:** The degree of completion may be determined according to various methods. The method applied should be the method reflecting most reliably the degree of completion. E.g.: • **Cost-to-cost-method:** Project expense incurred are divided by total project expense expected; • **Efforts-expended-method:** Production hours incurred are divided by total production hours expected or personnel expense incurred are divided by total personnel expense expected to complete the project; • **Units-of-delivery-method:** Units delivered are divided by total units to be delivered; • The degree of completion can also be determined using **expert evidence** regarding the construction.	☐	☐	☐	
22/3	If the **preconditions for the POCM are not given,** the long-term contract is recognised applying the **completed contract method (CCM).** Under this method the profit is only recognised in the income statement after passing the delivery and performance risk from the contractor to the client. ***Note:*** *Alternatively, if the preconditions for applying the POCM are not given, revenue is recognised to the extent of recoverable expenses (without realising any profit). Any non-recoverable expense has been charged to the result of the period.*	☐	☐	☐	
22/5	As soon as losses become apparent during the project, depreciation is recognised in the full amount, irrespective of the degree of completion. If depreciation is higher than the amount capitalised for the respective project, a provision is built for the remaining difference.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
22/24	***Note:*** *The individual valuation principle is the basis of the loss free valuation. Loss free valuation requires depreciation and provision in the amount of the total expected loss up to the completion of the project.* *Loss free valuation is done by top-down calculation. From expected revenue is deducted expected sales discounts and cost to complete (cost to complete, sales cost, administration cost, borrowing cost).* *Loss free valuation is based on full cost on the basis of the actual calculation.*	☐	☐	☐	
	Provision is built for loss orders (loss becomes apparent in the phase of completing the contract), even if no expense have been incurred.	☐	☐	☐	
22/6	**Prepayments received** are recognised in the balance sheet only, thus without impacting the profit. They are offset against the corresponding long-term contracts for which the prepayment has been paid, if there is no right for claw back. Prepayments received are disclosed either as a separate column in the balance sheet or in the notes. If a right for claw back exists, prepayments received are classified as liabilities.	☐	☐	☐	
II	**Disclosure**				
22/8, **22/28**	The following information and amounts are disclosed in the **notes,** as far as they are not disclosed in the balance sheet or in the income statement:				
	• **Accounting principles** applied to long-term contracts;	☐	☐	☐	
	• **Method used to determine the degree of completion** of long-term contracts accounted for under POCM;	☐	☐	☐	
	• Amount of revenue recognised in the period from long-term contracts accounted for under POCM;	☐	☐	☐	
	• **Capitalised borrowing cost,** if any, and how they were determined;	☐	☐	☐	
	• Specific financial lines of the balance sheet related to long-term contracts.	☐	☐	☐	
22/29	***Note:*** *Specific financial lines in the balance sheet are, among others:* • *Receivables from POCM-contracts;* • *Inventories, work in process;* • *Prepayments received from clients for POCM-contracts.*				

Swiss GAAP FER 23 - Provisions

A provision represents a probable obligation that is based on a past event and its amount and / or its due date is uncertain but can be estimated. This obligation gives rise to a liability. Provisions are not utilised to write off assets.

The obligating event must have taken place prior to the balance sheet date. It can be based on a legal or a factual obligation. A legal obligation is an obligation by law, by reglementation or by contract. A factual obligation is an obligation that is not based on law, a provision or a contract; its existence can be derived from past business methods, e.g. if the body responsible for decisions of the entity has decided on or has announced a specific behaviour on the basis of fair dealing or based on the fear from the outcome of bad reputation or has defined a respective internal policy. These measures give rise to a legitimated expectation to third parties on the perception of those obligations.

Any reduction of future income or margins does not constitute an obligating event. Future expense also do not constitute obligating events.

Liabilities that are due but not yet billed at the balance sheet date and that arise due to goods and services already received are not considered as provisions but as accrued liabilities.

Swiss GAAP FER 23 only applies to specific legal requirements that relate to the definition of provisions used for this recommendation. It is, e.g., not applicable to provisions that are to be recognised by insurance companies due to contracts with insured persons.

FER	Text	YES	N/A	N.M.	Ref.
I	**Initial recognition and subsequent measurement**				
23/5	**Legal and factual obligations** are valued regularly	☐	☐	☐	
	If the **outflow of resources became probable,** a respective provision was recognized.	☐	☐	☐	
23/6	The amount of the provision is determined based on an analysis of the respective event as well as on events occurring after the balance sheet date; insofar the latter contributes to further clarify the circumstances. The amount has been estimated in connection with the economic risk; this risk has been taken into account as objectively as possible. If the time factor had a significant impact the amount of the provision was discounted.	☐	☐	☐	
23/19	***Note:*** *The amount of provisions equals the present value of the* ***expected future outflow of resources.*** *The probability and the reliability of these cash outflows were taken into account.*				
23/7	An event occurring after the balance sheet date is subject to a provision (or the release of a provision), if occurring events show that the entity has had an obligation at the balance sheet date (has been released from an obligation) or if it becomes apparent that the entity expects damage.	☐	☐	☐	
23/20	***Note:*** *The negative or positive events or decisions have their source prior to the balance sheet date.*				
23/8	**Existing provisions** were revised at each balance sheet date. Based on this revision the provisions are increased, remain unchanged or are released.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
23/9	Changes in provisions were recognised in the operating result or in the financial result. In justified exceptions changes in provisions were recognized in the non-operating / extraordinary result. The reversal of a provision was recognised as part of the same area (operating result, financial result, non-operating / extraordinary result, income taxes etc.) where its initial creation was recognised.	☐	☐	☐	
II	**Disclosure**				
23/10	In the **balance sheet** or in the **notes** the following details are disclosed:				
	• Provisions for taxes;	☐	☐	☐	
	• Provisions for benefit obligations;	☐	☐	☐	
	• Restructuring provisions;	☐	☐	☐	
	• Other provisions.	☐	☐	☐	
	Note: *Other provisions are further broken down, if additional significant categories exist.*				
23/11	The notes contain a statement of changes in provisions which discloses the previous year figures in the same way as under the year of review.	☐	☐	☐	
	The statement of changes in provisions contains at least following information:				
	• Carrying amount at the beginning of the period;	☐	☐	☐	
	• Creation of provisions;	☐	☐	☐	
	• Utilisation of provisions;	☐	☐	☐	
	• Release of provisions recognised in the income statement;	☐	☐	☐	
	• Carrying amount at the end of the period.	☐	☐	☐	
	These details are disclosed in the statement of changes in provisions. These figures are completed by a short explanation for significant provisions disclosing the nature of the liability as well as its degree of uncertainty.	☐	☐	☐	
	If a provision is discounted, the discount rate is disclosed.	☐	☐	☐	
23/12	Short-term and long-term provisions are - as a matter of principle -distinguished. The amount of short-term provisions is disclosed for each category in the notes.	☐	☐	☐	
23/13	If provisions stipulated by specific legal requirements do not have the economic character as foreseen by this recommendation, an explanation is added to the notes.	☐	☐	☐	

Swiss GAAP FER 24 - Equity and transactions with shareholders

The equity of a company results from its assets after deduction of its liabilities, determined according to the relevant accounting standards. It is basically composed of the capital of the company, the additional capital reserves paid in and the retained earnings. This recommendation was prepared for an entity in the legal form of a joint-stock company and is also to be applied correspondingly to other entities. **FER 24 deals with:**

- The recognition, valuation and presentation of own shares, whereas the term "own shares" is used in this recommendation for all equity instruments of the company, including derivatives on own shares;
- The recognition, valuation and presentation of transactions with shareholders in their capacity as shareholders;
- The recognition and presentation of cost of transactions related to equity;
- The presentation of the carrying amounts of, and changes in, equity and its components;
- The disclosure of relevant additional information in the notes.

This recommendation does not deal with:

- Share based compensation for the acquisition of goods, labour force or services in the normal course of business;
- The recognition and valuation of transactions with shareholders in connection with a business combination, the establishment of a joint venture or a spin-off.

The recognition and valuation rules of this recommendation are also valid for interim reporting. Based on Swiss GAAP FER 12, paragraph 3, the presentation and disclosure rules do not need to be adhered to in the interim reporting but can be applied on a voluntary basis.

Share based payments in the normal course of business that relate, for example, to the acquisition of goods, to the purchase of labour force or to services at agreed conditions are not in the scope of this recommendation as they do not qualify as transactions with shareholders in their capacity as shareholders

The question whether changes in values (unrealised gain or loss) resulting from the valuation of balance sheet positions are to be recognised in the income statement or in equity is dealt with in the recommendation dealing with the corresponding balance sheet position. The same applies to the question of whether changes in values, recognised in equity, need to be reclassified to the income statement (recycling) at the date of their realisation or not. Unrealised gains and losses on balance sheet positions are recognised in the equity only if another recommendation either allows or requires this treatment. This recommendation is limited to establishing rules for the presentation of such changes in values **within equity.** Examples of such changes in values are:

- Unrealised gains and losses from hedging of future transactions
- Revaluation of tangible fixed assets
- Revaluation of investments of insurance companies
- Changes in accounting policies and errors (restatement in case of deviations from the principle of consistency).

FER	Text	YES	N/A	N.M.	Ref.
I	**Own shares**				
24/1, 24/16	**First time recognition:** The acquisition of own shares is recognised at cost at the date of acquisition (net selling price of the consideration given to the counter party). For exceptions in this regard, the provisions under 24/4 apply.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
24/4	**Transactions with shareholders** in their capacity as shareholders are recognised at net selling price even if such transactions are not performed at arm's length. If a net selling price cannot be determined reliably, a different valuation basis is used, which approximates the estimated net selling price. A corresponding disclosure (paragraph 10) is required in this case. Capital paid in and other contributions as well as capital reductions, after deduction of the par value of any shares issued or recalled, are credited or debited to capital reserves. However, as an exception, government grants provided to public authority companies in connection with the absorption of operating losses are recognised in the income statement. Distributions of accumulated earnings are charged to retained earnings.	☐	☐	☐	
24/20	***Note:*** *Transactions with shareholders are recognised based on their economic substance rather than their legal form. Open and hidden benefits provided to and received from shareholders are of special significance. Those benefits are recognised as equity transactions according to the 'substance over form' principle as they do not impact the economic performance of the company.*	☐	☐	☐	
24/2	The amount of own shares is to be presented as a deduction from equity rather than as an asset. The amount is presented as a **separate (negative) component of equity.**	☐	☐	☐	
24/3	**Subsequent measurement:** Subsequent to the acquisition and first-time recognition of own shares, no revaluation is performed. Upon disposal any gain or loss is not recognised in the result of the period but as an addition to, or a deduction from, capital reserves.	☐	☐	☐	
II	**Cost of transactions with equity**				
24/5	The cost of transactions with equity, as far as they result in a procurement (capital increase, disposal of own shares) or in a repayment (capital reduction, acquisition of own shares) of equity, are recognised as a **reduction to capital reserves,** net of any related income taxes.	☐	☐	☐	
24/6	The **accumulated cost of transactions with equity** incurred at the balance sheet date are recognised as a **deferred expense** if it is probable that the respective transaction with equity will take place within the foreseeable future. Otherwise, such costs are charged to the result of the period.	☐	☐	☐	
III	**Presentation of equity**				
24/7	The following components of equity, if applicable, are presented separately on the face of the balance sheet:				
	• Capital of the entity;	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
24/23	***Note:*** *The capital of the company equals the par value of shares issued and paid in. Capital not paid in is deducted from the capital issued and presented separately on the face of the balance sheet (e.g., in a separate column).*				
	• Capital of the entity not paid in (negative amount);	☐	☐	☐	
	• Capital reserves (including share premium);	☐	☐	☐	
24/24	***Note:*** *Not only the amounts formally paid in exceeding the par value in connection with incorporation, capital increases or asset contributions, but also any other contributions from shareholders in their capacity as shareholders are presented as capital reserves.* *Eligible costs of transactions with equity are offset against capital reserves (see paragraph 24/5).* *Loans from shareholders are presented as liabilities, even if they are granted by the shareholder on an interest-free basis and without fixed maturity but with the obligation of repayment.*				
	• Own shares (negative amount);	☐	☐	☐	
	Note: *For Recognition and Revaluation, refer to I. Own Shares.*				
	• Retained earnings (profits) or accumulated losses;	☐	☐	☐	
24/25	***Note:*** *Retained earnings are composed not only of the retained profits resulting from the income statement, but also of the value changes directly recognised in equity (see paragraph 24/14).*				
	• Total equity.	☐	☐	☐	
24/8, 24/26	The **statement of changes in equity** is presented as a separate component of the financial statements equivalent to the balance sheet, the income statement and the cash flow statement. It is, on the one hand, classified according to the significant components of equity, and, on the other hand, according to the significant changes in equity. It presents in a table format for the current and the prior reporting period the opening and the closing balances, and reconciliation between the opening and the closing balances, of each significant category of equity; thereby, each movement that is relevant for the assessment of the financial statements is presented separately.	☐	☐	☐	
	The following components of equity are separately presented:				
	• Capital of the entity;	☐	☐	☐	
	• Capital of the entity not paid in (negative amount);	☐	☐	☐	
	• Capital reserves;	☐	☐	☐	
	• Own shares (negative amount);	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
	• Retained profits (part of retained earnings);	☐	☐	☐	
	• Revaluation reserves (part of retained earnings);	☐	☐	☐	
	• Any other significant components;	☐	☐	☐	
	• Total equity.	☐	☐	☐	
24/28	The following changes in equity are separately presented for the components of equity as per paragraph 24/27:				
	• Capital increases and decreases;	☐	☐	☐	
	• Equity transaction cost;	☐	☐	☐	
	• Acquisition of own shares;	☐	☐	☐	
	• Disposal of own shares;	☐	☐	☐	
	• Net profit / loss;	☐	☐	☐	
	• Profit distributions / dividends;	☐	☐	☐	
	• Changes in revaluation reserves;	☐	☐	☐	
	• Effects of changes in accounting policies;	☐	☐	☐	
	• Effects of errors;	☐	☐	☐	
	• Any other significant items of profit or loss, insofar as another recommendation allows or requires their recognition in equity.	☐	☐	☐	
IV	**Disclosure**				
24/9	The following information about the **shares of the company** is disclosed:				
	The number and nature of recognised own shares at the beginning and at the end of the reporting period;	☐	☐	☐	
	The number, nature, average transaction price and average net selling price (if different from the transaction price) of own shares acquired and disposed of during the reporting period. Own shares issued in connection with share based compensation are to be disclosed separately;	☐	☐	☐	
	Any contingent liabilities in connection with own shares disposed of or acquired (e.g., obligations to repurchase or resell own shares);	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
24/30	***Note:*** *An obligation to repurchase own shares disposed of is to be disclosed insofar as this transaction leads to the derecognition of own shares from the balance sheet. Fictitious transactions or transactions that have the nature of a debt financing combined with the pledge of own shares, which do not expose the counterparty in any way to the risk of changes in net selling prices, will not lead to the derecognition of own shares from the balance sheet. In such cases the limitation to the availability of such shares is disclosed.*				
	The number and nature of equity instruments of the company that are held by subsidiaries, joint ventures, associated companies, pension funds and foundations related to the entity;	☐	☐	☐	
24/29	***Note:*** *If the number of shares held by subsidiaries, joint ventures, associated companies, pension funds and other foundations related to the company is not known, this fact is disclosed.*				
	• The number, nature and conditions of own shares, and equity instruments of the company held by related parties, at the beginning and the end of the reporting period, which are reserved for a specific purpose (e.g., for employee stock compensation plans or convertible and option bonds).	☐	☐	☐	
24/10	The following information about transactions with shareholders in their capacity as shareholders is disclosed as follows:				
	• Description and amount of transactions with shareholders that were not settled in cash or that were offset against other transactions;	☐	☐	☐	
	• Reasons for applying a different valuation basis, and the basis itself, applied to transactions with shareholders that could not be recognised at net selling price;	☐	☐	☐	
	• The description of transactions with shareholders that were not conducted at arm's length, including the difference between the net selling price and the contractual price of the transaction that was recognized within capital reserves.	☐	☐	☐	
24/11	The following information about the components of equity is disclosed as follows:				
	• Details about the individual categories of the entity's capital:	☐	☐	☐	
	• Number and nature of shares issued and paid in,	☐	☐	☐	
	• par values, and	☐	☐	☐	
	• rights and restrictions attached to the shares.	☐	☐	☐	
24/32	• The disclosure of the number of any special non-voting equity securities issued and of the related rights and restrictions;	☐	☐	☐	
	• The amount of any conditional and any authorised capital;	☐	☐	☐	
	• The amount of statutory or legal reserves that may not be distributed.	☐	☐	☐	

Swiss GAAP FER 27 - Derivative financial instruments

A derivative is a financial instrument whose value is primarily impacted by the price of one or several underlying basic values (assets or reference rates) which compared to a direct purchase of an underlying basic value only requires a minor initial investment which will only be settled in the future.

A derivate is based on a deal between two parties. At a balance sheet date a derivative leads to an asset or a liability at actual values:

- An asset corresponds to the amount which the accounting entity would maximally lose in case of a failure of the counterparty.
- A liability corresponds to the amount which the counterparty would lose at most if the accounting entity would not fulfil the demands of the deal.

Derivatives are fixed futures (e.g. forwards, futures), options (calls, puts) and products composed of various derivatives.

Underlying basic values are e.g. interest rates, foreign exchanges, prices of equity instruments (especially shares and respective indices) as well as other underlying basic values (especially credit risks, precious metals prices and raw material prices) but not equity instruments of the own entity.

Derivatives which are **embedded** in another instrument (e.g. options of a convertible bond recognised as an asset, prolongation option with a fixed interest-bearing bond), are treated together with the basic value. A separation of the derivative from the bearing instrument is allowed.

FER	Text	YES	N/A	N.M.	Ref.
I	**Recognition**				
27/2	A derivative is recognised in the balance sheet as soon as it fulfils the definition of an asset or a liability.	☐	☐	☐	
27/3	Fixed futures are recognised at initial recognition with their actual values.	☐	☐	☐	
	The premium of options purchased is capitalised; for options issued it is recognised as a liability.	☐	☐	☐	
II	**Valuation**				
27/4	Derivatives for hedging purposes of balance sheet items are valued **at actual values** or **at the same valuation principles as the underlying hedged position**. Changes in values are recognised in the result of the period.	☐	☐	☐	
27/13	**Actual values** are determined with the following preference order (The valuation method chosen has to be maintained):	☐	☐	☐	
	• Active market for derivatives (quotation of stock market or off-market trade) listed price;	☐	☐	☐	
	• No active derivate market: Valuation based on similar transactions or according to valuation methods which are based on market data.	☐	☐	☐	
27/14	Assets and liabilities from derivatives are – as a rule – disclosed in gross amounts. Offsetting is only possible in case of the same counterparty and in the frame of legally enforceable netting agreements or legal netting rules.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
27/15	If the underlying transaction is capitalised at actual values the hedging is also valued at actual values. If the underlying transaction is valued at the lower of cost or market principle, this principle can also be applied for the inclusion of the hedge.	☐	☐	☐	
27/7	The **derecognition** of a derivate happens as soon as the end of the maturity is reached (or an option is exercised early) or as soon as, due to disposal or default of the counterparty, no further claim on future payments exists. At derecognition the difference between the carrying amount and the consideration received or given – considering transaction cost – is recognised in the result of the period.	☐	☐	☐	
27/18	**Contractually agreed future cash flows** that are not yet recognised are also considered underlying transactions, which can be hedged. In this case the hedging has no effect on the income statement and is either recognised in the equity or disclosed in the notes.	☐	☐	☐	
III	**Disclosure**				
27/8	The amount of open derivatives is disclosed in the notes. The disclosure is structured according to the underlying basic values – as follows:	☐	☐	☐	
	Note: *For the single categories the total of the values recognised as assets and liabilities are to be disclosed gross as well as the purpose of holding derivatives.*				
	• Interest rates;	☐	☐	☐	
	• Foreign exchange;	☐	☐	☐	
	• Equity instruments and respective indices;	☐	☐	☐	
	• Other underlying basic values.	☐	☐	☐	
27/20	• Derivatives which are, as an exception, not recognised at actual values are disclosed separately. It is explained why the actual value cannot be determined.	☐	☐	☐	
27/21	The total of the actual values from derivatives disclosed in the notes is reconciled to carrying amounts of the corresponding assets and liabilities as per balance sheet by pointing out the impact of the netting.	☐	☐	☐	

Swiss GAAP FER 28 – Government grants

A government grant is compensation provided by a public institution for services provided or expenses incurred in the course of an entity's operating activities. Through this, the entity receives a specific economic benefit.

Compensation for services or expenses can be direct or indirect. Compensation is indirect when it is passed on through one or more intermediary entities.

Government grants can be monetary or non-monetary. Non-monetary government grants are, for example, the provision of land, reduced rents or guarantees.

Benefits provided in the form of or effects resulting from taxes, government charges or levies do not fall within the scope of this recommendation.

Government grants can be related to assets or related to income. Alternative names for government grants are, for example, contributions, allowances, compensation, financial assistance, premiums or subsidies.

Government grants related to assets are government grants whose primary condition is that the entity should purchase, construct or otherwise acquire long-term assets in order to qualify for them.

Government grants related to income are government grants other than those related to assets. This also includes the interest component of subsidised loans.

FER	Text	YES	N/A	N.M.	Ref.
/	**Recognition, valuation and disclosure**				
28/3	For government grants recognised, there is reasonable assurance that the entity complies with any conditions attached to the grant and the value can be estimated reliably.	☐	☐	☐	
28/14	***Note:*** *Receipt of a government grant does not in itself provide conclusive evidence that the conditions attached to the government grant have been fulfilled.*	☐	☐	☐	
28/4	Government grants related to assets are either offset against the asset or allocated to deferred income. If in the year of initial recognition: government grants related to assets are presented separately in the statement of changes in fixed assets or elsewhere in the notes if they are offset (net method).	☐	☐	☐	
	The deferred income is recognised in profit or loss over the useful life of the asset.	☐	☐	☐	
	Non-monetary government grants related to assets (e.g. land) are measured at fair value at the time of initial recognition.	☐	☐	☐	
28/15, 28/18	***Note:*** • *Deferred income can be both short-term and long-term. Where appropriate, a designation other than deferred income can be used.* • *Due to the special characteristics of the activities of charitable non-profit organisations which apply Swiss GAAP FER 21, for these entities, government grants related to assets are recognised and disclosed in accordance with the provisions of Swiss GAAP FER 21.*	☐	☐	☐	
28/16	Government grants are recognised in the same period as the related expenses.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
	The deferred income from government grants related to assets is recognised in profit or loss over the useful life of the asset as a reduction of the depreciation charges. Alternatively, it is disclosed separately as income from government grants related to assets.	☐	☐	☐	
28/17	When measuring the fair value of non-monetary government grants, explanations regarding the bases used to determine the fair values are provided in the notes.	☐	☐	☐	
28/5	Government grants related to income are recognised in profit or loss according to plan over the periods in which the entity recognises the related expenses.	☐	☐	☐	
	They are presented in the income statement either separately or under the heading 'Other operating income'.	☐	☐	☐	
	In objectively justified cases and if doing so does not result in a misleading presentation, government grants are offset against the corresponding expenses.	☐	☐	☐	
28/19	**Note:** *Due to the special characteristics of the activities of charitable non-profit organisations which apply Swiss GAAP FER 21, for these entities, government grants related to income are recognised and disclosed in accordance with the provisions of Swiss GAAP FER 21.*				
28/20	Where government grants are presented as net amounts in the income statement, the gross amounts are disclosed in the notes.	☐	☐	☐	
II	**Repayment obligations**				
28/6	If, contrary to the original assumption, a government grant becomes repayable, this fact is accounted for as a change in accounting estimate.	☐	☐	☐	
28/21	If a government grant related to assets has been offset against the asset (net method), the repayment amount is added to the carrying amount of the asset and simultaneously recorded under other liabilities. The cumulative additional depreciation required on the asset that has been increased by the repayment amount is immediately recorded as an expense.	☐	☐	☐	
	If the government grant related to assets has been recorded as deferred income (gross method), the repayment amount is transferred from deferred income to other liabilities. The difference between the deferred income amount remaining after the transfer and the amount of deferred income that would have resulted if the repayment amount had been deducted from the original government grant is immediately recorded as an expense.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
III	**Presentation in the cash flow statement**				
28/7	Government grants related to income are part of the cash flow from operating activities and are presented separately in the cash flow statement or in the notes. Government grants related to assets and any related repayments are presented as gross amounts in the cash flow from investing activities.	☐	☐	☐	
IV	**Disclosure**				
28/8	The accounting principles applied in regard to government grants are disclosed in the notes to the financial statements. The following information is also be disclosed:				
	• the nature and extent of the recognised government grants;	☐	☐	☐	
	• The fair value of non-monetary government grants related to income, where such value can be measured;	☐	☐	☐	
	• Notes on government grants related to assets or related to income whose value cannot be measured;	☐	☐	☐	
	• Information about other forms of government grants which provide a benefit, such as guarantees or the interest component of subsidised loans;	☐	☐	☐	
	• Information about conditions that are yet to be fulfilled, other contingencies and repayment obligations in connection with government grants.	☐	☐	☐	
28/22	Explanations regarding non-monetary government grants in the form of goods, services or benefits in kind are provided in the notes and the value of the received benefits are disclosed.	☐	☐	☐	
28/23	The determination of the value as well as the valuation methodology applied and key assumptions made in regard to non-monetary government grants are disclosed.	☐	☐	☐	

Swiss GAAP FER 30 - Consolidated financial statements

Basically all requirements for the accounts of individual entities also apply for the consolidated financial statements. The requirements contained in this recommendation comprise additional specifications for the consolidated financial statements.

FER	Text	YES	N/A	N.M.	Ref.
I	**Scope of consolidation**				
30/1	The **consolidated financial statements** comprise the annual accounts of the holding company and its subsidiaries as well as joint ventures and associated entities.	☐	☐	☐	
30/48	Special purpose entities are consolidated. A special purpose entity is an entity that is not controlled legally, but whose economic contribution directly benefits the group (e.g. outsourced research activities, foundations for share-based remuneration).	☐	☐	☐	
30/2, 30/49, 30/50, 30/51	Entities which are **controlled** by their holding company (subsidiaries) are **fully consolidated.**	☐	☐	☐	
30/52	Control is assumed if a parent entity	☐	☐	☐	
	Note: *Insignificant subsidiaries can be excluded from the full consolidation if they are insignificant also in their sum.*				
	• holds **directly or indirectly more than half of the voting rights** of a subsidiary, or	☐	☐	☐	
	• holds less than half of the voting rights, control can be obtained (for example through shareholder agreements, a majority in the supervisory board/management body or option rights).	☐	☐	☐	
	A joint venture is a contractual agreement in which two or more parties accomplish an economic activity under a joint lead (Thereby neither party disposes of the possibility to control the joint venture). They are				
	• **proportionally consolidated,** or	☐	☐	☐	
	• recognised using the **equity method.**	☐	☐	☐	
30/54	Under proportional consolidation, all positions of the balance sheet and the income statement of the joint venture are recognised to the extent of the share of capital.	☐	☐	☐	
30/4	Associated entities are recognised using the equity method.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
30/55, 30/56, 30/57, 30/58, 30/59	**Note**: • *An associated entity is an entity over which an investor has significant influence. Significant influence is the possibility to participate in financial and operating policy decisions, but not to control or jointly manage an entity. Significant influence can be assumed if the share of the voting rights is at least 20 percent, unless it can be demonstrated that this is not the case. If the share of the voting rights is less than 20 percent, it can be assumed that there is no significant influence, unless this can be demonstrated to be the case.* • *When using the equity method, financial statements prepared in accordance with Swiss GAAP FER form the basis for the inclusion of the associated entity. If said entity does not prepare financial statements in accordance with Swiss GAP FER, at least the financial statement items considered material from a group perspective must comply with group accounting directives that conform with Swiss GAAP FER.* • *When significant influence is achieved, the assets and liabilities of the associated entity that are taken over must be measured in accordance with the provisions under paragraph 14. Such revaluation is only required for assets and liabilities whose fair value deviates significantly from the value that would have arisen had Swiss GAAP FER always been applied. Intangible assets which have not been recognised previously and are relevant to the decision to achieve significant influence are also to be identified and recognised, with the exception set out in paragraph 18 to be applied mutatis mutandis.* • *Goodwill of associated entities is to be treated in the same way as that of entities which are fully or proportionally consolidated. If goodwill is recognised as an asset, it is to be reported under the balance sheet item "Investments in associated entities". The amortisation of goodwill is part of the result from associated entities.* • *The foreign currency differences arising from the translation of the balance sheet item "Investments in associated entities" have no effect on the income statement and are offset against equity. If significant influence is lost, the corresponding accumulated foreign currency differences recognised in equity are to be reclassified to profit or loss.*				
30/5	Equity interests in entities with a proportion of voting rights of less than 20 percent are, in principle, not included in the scope of consolidation. They are recognised at acquisition cost less any impairment or at their fair value.	☐	☐	☐	
II	**Consolidation method**				
30/6	Financial statements included in the consolidation (parent entity, subsidiaries and joint ventures) are complying with uniform group accounting directives that conform with Swiss GAAP FER.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
30/60	***Note:*** *For the purposes of consolidation, the financial statements of individual entities included in the consolidation are to be brought in line with the uniform directives of the group. These adjustments can lead to changes to those financial statements that are presented for approval to the unit-holders of the respective entity. The balance sheet date of the financial statements of the entities included in the consolidation and the balance sheet date of the group may not be more than three months apart.*				
30/62	Under **full consolidation,** all assets and liabilities and all expense and income of the consolidated entities have are fully included in the consolidated financial statements, also of those entities with a third-party minority interest.	☐	☐	☐	
30/7	Inter-company **assets and liabilities** in the stand-alone financial statements, and **expense and income** from inter-company transactions have been eliminated.	☐	☐	☐	
30/61	***Note:*** *In particular, the following eliminations are required in the case of fully and proportionally consolidated entities:* • Receivables and payables between consolidated entities; • Investments and the corresponding equity; • Inter-company expense and income, such as those from sales of goods and services, interests, or royalties; • Dividends.				
30/8	**Inter-company profits** resulting from inter-company transactions are eliminated.	☐	☐	☐	
30/63, 30/64, 30/65	***Note:*** • *Due to group internal transactions (subsidiaries, joint ventures), assets such as inventory or non-current assets may contain profits not yet realised from the point of view of the group (inter-company profits) at year-end.* • *When calculating inter-company profits, the use of approximative techniques is allowed.* • *When applying the percentage-of-completion method (POCM), it has to be ensured that the inter-company profits are eliminated, also in the case of complex supply and performance conditions.*				
30/9	The share of equity of consolidated entities is recognised using the purchase method of consolidation	☐	☐	☐	
	The equity of consolidated entities is offset against the acquisition cost as per the acquisition date, or against the carrying amount of the investment at the parent entity as per the date of incorporation.	☐	☐	☐	
	After the first consolidation, changes that are included in the net result of the period of the consolidated financial statements are recognised in retained earnings.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
	The **minority interest** in equity is disclosed as follows:				
30/10	• Separately under the equity;	☐	☐	☐	
30/11	• Separately under the income statement (the share of the minority interest-holders in profit / loss).	☐	☐	☐	
30/12	Equity and net result are recognised proportionally when using the equity method. The result is disclosed separately in the income statement.	☐	☐	☐	
30/13	Accounting-policy choices in this Recommendation are applied consistently.	☐	☐	☐	
30/68	Should there be any changes to the accounting principles, the corresponding provisions of the Framework are applied.	☐	☐	☐	
III	**Goodwill**				
30/14	Assets acquired and liabilities assumed taken over in an acquisition are recognized as of the date when control is obtained and measured at their acquisition-date fair values.	☐	☐	☐	
	Intangible assets which have not been recognised previously by the acquiree and are relevant to the decision to obtain control are also identified and recognised.	☐	☐	☐	
30/15	Any positive difference between the acquisition cost and the revalued net assets acquired is designated as goodwill and recognised under intangible assets. If the acquisition cost is lower than the revalued net assets acquired, this will result in negative goodwill ("badwill"). Negative goodwill is recorded as a liability and disclosed separately either in the balance sheet or the notes	☐	☐	☐	
30/16	Goodwill is amortised on a pro rata basis (note: normally linearly) over its useful life. The estimated useful life is not exceeding 20 years. If the useful life cannot be determined, amortisation is taking place over 5 years.	☐	☐	☐	
30/17	If goodwill is accounted for as an intangible asset and amortised, negative goodwill is accounted for as a liability and recognised in profit or loss within a maximum of 5 years.	☐	☐	☐	
30/18	Entities that account for goodwill as an intangible asset and amortise it and, respectively, recognise negative goodwill as a liability and release it to profit or loss, may decide not to identify intangible assets that have not been recognised previously and are relevant to the decision to obtain control, as set out under paragraph 14.	☐	☐	☐	
30/19	If goodwill is offset against equity, negative goodwill is also offset against equity.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
30/20	An offset of goodwill/negative goodwill against equity is only done at the acquisition date. In case of disposal, goodwill/negative goodwill offset against equity at the acquisition date is considered at original acquisition cost when determining the profit or loss related to the disposal.	☐	☐	☐	
30/69	**Note:** *Upon disposal of a part of the business, the profit or loss from the disposal is to be determined considering goodwill or negative goodwill that has been directly offset against equity at the acquisition date. In the event of a disposal, positive or negative goodwill offset against equity at the acquisition date shall be fully charged to profit or loss in order to achieve the same effect as for entities which recognised goodwill as an asset and amortised it (partially or fully) or recognised negative goodwill as a liability and released it (partially or fully) to profit or loss. The closure or liquidation of a part of the business is equivalent to a disposal.*				
30/21	If equity interests are acquired in stages:				
	• the positive or negative goodwill is determined as the difference between the acquisition cost and the pro rata net assets separately for each acquisition step.	☐	☐	☐	
	• the net assets acquired are measured at their fair value at the date when control is obtained.	☐	☐	☐	
	• any resulting valuation differences (difference between the fair values and carrying amounts) on previously held equity interests are recognised in equity.	☐	☐	☐	
	• assets acquired and liabilities assumed are therefore included in the consolidated financial statements at their full fair value at the date when control is obtained.	☐	☐	☐	
30/70, 30/71, 30/72, 30/73	**Note:** • *The acquisition of financial assets does not result in any goodwill. If the acquisition of an equity interest results in significant influence, such an acquisition is to be recognised in accordance with paragraph 57.* • *If equity interests are acquired in stages within the category of associated entities, goodwill is determined each time an equity interest is acquired without revaluing the underlying net assets.* • *For purchases of minority interests, goodwill or negative goodwill is calculated as the difference between the acquisition cost and the proportional carrying amount of the minority interest.* • *The useful life of the goodwill or negative goodwill is determined separately for each acquisition of an equity interest.*				
30/22	For each disposal of an equity interest, the profit/loss is calculated on the basis of the disposal and recognised in profit or loss. If the stepwise disposal of an equity interest results in an associated entity or a financial asset (loss of control or loss of significant influence), the remaining equity interest is measured on the basis of the pro rata net assets taking into account the pro rata goodwill or negative goodwill.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
	If the stepwise disposal of an equity interest results in an associated entity or a financial asset (loss of control or loss of significant influence), the remaining equity interest is measured on the basis of the pro rata net assets taking into account the pro rata goodwill or negative goodwill.	☐	☐	☐	
30/74	The pro rata goodwill or negative goodwill being disposed of is calculated and recognised in profit or loss for each disposal of an equity interest. This principle is applied analogously to positive and negative goodwill recognised in the balance sheet or offset against equity. The pro rata goodwill or negative goodwill is calculated in proportion to the equity interest disposed of.	☐	☐	☐	
30/23	Purchase price components contingent on future events are part of the acquisition costs at the acquisition date provided that cash outflows are likely.	☐	☐	☐	
	Conditional purchase price components are subsequently measured at each balance sheet date, with changes resulting in the adjustment of goodwill/negative goodwill recognised as an intangible asset or offset against equity.	☐	☐	☐	
	Purchase price components – both those recognised in the balance sheet and those not recognised – are disclosed in the notes.	☐	☐	☐	
30/75, ***30,76***	***Note:*** • *Compensation for future employment of the seller does not count as a component of the purchase price.* • *Adjusted goodwill/negative goodwill is amortised over the remaining useful life.*				
IV	**Foreign currency**				
30/24, 30/77	Financial statements in a foreign currency that are consolidated must be translated into the currency of the consolidated financial statements. This translation has to take place according to the current rate method. This applies exclusively to the conversion of financial statements of a group entity in a local currency to the currency of group accounts and does not contain any recommendation for the transactions in a foreign currency within the financial statements.	☐	☐	☐	
30/79	All balance sheet items (with the exception of equity) are converted into the currency of the group accounts at the exchange rates at the balance sheet date.	☐	☐	☐	
30/79	The items of the income statement, cash flow statement and individual transactions are translated into the currency of the consolidated financial statements at the average exchange rate for the period or, respectively, at the spot exchange rate at the date of the transaction.	☐	☐	☐	
30/80	Foreign currency differences arising on the translation of the balance sheet items have no impact on the income statement and are recognised in equity.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
30/81	The difference between the translation of the result of the period according to the income statement and the result according to the balance sheet is recognised in equity.	☐	☐	☐	
30/25	The loss of control of a subsidiary or the loss of significant influence over an associated entity whose financial statements are in a foreign currency requires the reclassification to profit or loss of the accumulated foreign currency differences recognised in equity.	☐	☐	☐	
	In case of a stepwise disposal of a subsidiary which does not result in a loss of control, the accumulated foreign currency differences are to be proportionally allocated to minority interests (with no effect on the income statement).	☐	☐	☐	
	In case of other stepwise disposals, accumulated foreign currency differences are taken into account in profit or loss on a pro rata basis.	☐	☐	☐	
30/26	Foreign currency effects on long-term interagroup loans with equity character are recognised in the equity (with no effect on the income statement).	☐	☐	☐	
30/82, 30/83	***Note:*** • *In case control of a subsidiary or significant influence over an associated entity are lost, the corresponding accumulated foreign currency differences recognised in equity arising from loans with equity character are to be reclassified to profit or loss.* • *In the event of any repayment of intragroup loans with equity character, the accumulated foreign currency differences can either be reclassified to profit or loss on a pro rata basis or be left in equity.*				
V	**Valuation**				
30/27	The same financial statement positions in the individual financial statements of the entities included in the consolidation are normally measured according to the same principles.	☐	☐	☐	
30/84	***Note:*** *As an example, differing business activities of the various group entities to be consolidated could give rise to objectively substantiated deviations from the principle of uniformity. For example, work in progress at a construction company should be measured using different principles from that of a manufacturer engaged in mass production even if both use historical cost as a valuation basis.*				
30/28	If an impairment loss concerning a group of assets needs to be recognised, it is first charged to any related goodwill.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
30/29	In case of a partial or full reversal of an impairment loss, the reversal is allocated to the concerned assets – with the exception of goodwill – in proportion to their respective carrying amounts. However, the increased carrying amount of an asset must not exceed the lower of the recoverable amount (if ascertainable) and the carrying amount after ordinary depreciation. Any remaining reversal balance is to be allocated to the other assets – with the exception of goodwill.	☐	☐	☐	
30/85	***Note:*** *The provisions of Swiss GAAP FER 20 – or if the Core-FER are applied, Swiss GAAP FER 2, paragraph 16 – are to be applied in conjunction with the impairment test.*				
VI	**Income taxes**				
30/30	Deferred income taxes are to be considered in the consolidated financial statements if:				
	• On the level of an individual entity, other fiscally relevant values are applied than in the consolidated financial statements;	☐	☐	☐	
	• Consolidation measures with impact on profit or loss (e.g. elimination of inter-company profits) lead, in the individual entity's financial statements, to a different result than the fiscally relevant result;	☐	☐	☐	
	• As a result of the retention of profits in subsidiaries, joint ventures and associated entities valued using the equity method, the distribution of profits is postponed but planned in the foreseeable future.	☐	☐	☐	
30/31	In the case of an acquisition, net assets acquired are recognised at their acquisition-date fair values. This generally results in valuation differences if the fiscally relevant values of the assets acquired and liabilities assumed are not or are only partially adjusted. Deferred income tax assets, where the recognition criteria are met, or deferred income tax liabilities are to be recognised for such valuation differences.	☐	☐	☐	
	Deferred income tax liabilities are not taken into account when goodwill is recognised for the first time as part of an acquisition.	☐	☐	☐	
30/32	For not yet distributed profits in group or associated entities whose distribution is planned, non-recoverable withholding taxes and income taxes to be incurred by the parent entity are considered.	☐	☐	☐	
30/33	For the calculation of the deferred income taxes on the level of the consolidated balance sheet, the effectively expected tax rate per tax subject is applied in principle. The application of an adequate and consistently used group average or an average expected tax rate is allowed.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
VII	**Cash flow statement**				
30/34	The following additional positions are disclosed in the investing activities:				
	• - outflows for the acquisition of consolidated entities (less cash taken over);	☐	☐	☐	
	• + inflows from the disposal of consolidated entities (less cash given);	☐	☐	☐	
	• +/– inflows from the sale/outflows for the acquisition of minority interests	☐	☐	☐	
30/35	The following additional positions are disclosed in the financing activities:				
	• - dividend payments to minority shareholders (of subsidiaries);	☐	☐	☐	
	• +/- payment or repayment of capital to/from minority shareholders (of subsidiaries).	☐	☐	☐	
30/36	The following additional positions are disclosed if the indirect method is being used:				
	• +/– share of loss (profits) from the application of the equity method.	☐	☐	☐	
VII	**Statement of changes in equity**				
30/37	The goodwill or negative goodwill items offset against equity and the accumulated foreign currency differences are shown as separate components (column) in the statement of changes in equity.	☐	☐	☐	
IX	**Disclosure**				
30/38	The details to be disclosed in the **notes** comprise:				
	• Details to the scope of consolidation;	☐	☐	☐	
	• Consolidation principles;	☐	☐	☐	
30/86	• Valuation bases and priciples as valuation at historical cost (acquisition cost or production cost) or at actual values;	☐	☐	☐	
	• Valuation bases and principles;	☐	☐	☐	
	• Other circumstances relevant to understanding the consolidated financial statements.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
30/39	The **details to the scope of consolidation** contain:				
	• Treatment of the entities in the consolidated financial statements (applied method);	☐	☐	☐	
	• Name and domicile of the included entities (subsidiaries, joint ventures and associated entities);	☐	☐	☐	
	• Share of capital of these entities; if the proportion of voting rights differs from the share of capital, the proportion of voting rights is also to be disclosed;	☐	☐	☐	
	• Changes in the scope of consolidation compared to the previous year as well as the date from which this change is considered;	☐	☐	☐	
	• Deviations from the balance sheet date of the group.	☐	☐	☐	
30/40	The **details to the consolidation principles** contain:				
	• Consolidation method, especially capital consolidation;	☐	☐	☐	
	• Method used for the translation of foreign currencies as well as treatment of the foreign currency differences;	☐	☐	☐	
	• Treatment of associated entities and joint ventures;	☐	☐	☐	
	• Treatment of inter-company profits.	☐	☐	☐	
30/41	Changes owing to foreign currency differences or changes in the scope of consolidation are separately disclosed in the statements of changes (e.g. statements of changes in assets or provisions).	☐	☐	☐	
30/42	Goodwill is disclosed separately in the balance sheet or the notes.	☐	☐	☐	
30/43	If goodwill or negative goodwill is offset against equity, the impact on the balance sheet and income statement of a theoretical recognition of the goodwill as asset or liability, with scheduled amortisation or release over the expected useful life, are presented in the notes for the current and previous reporting periods (acquisition cost, accumulated amortisation, theoretical carrying amount, amortisation or release, impairment losses, additions, disposals, foreign currency differences).	☐	☐	☐	
30/44	The valuation method of interests in entities with a proportion of voting rights of less than 20 percent is disclosed in the notes.	☐	☐	☐	
	The following is disclosed in the balance sheet or in the notes:				
	• Receivables due from and liabilities due to associated entities;	☐	☐	☐	
	• Concerning financial assets: non-consolidated investments in entities and receivables due from non-consolidated investments.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
30/46	Where there is no segment reporting pursuant to Swiss GAAP FER 31 or Swiss GAAP FER 40, the details of the income statement in the notes contain a breakdown of the net sales from goods and services according to geographic markets and business areas.	☐	☐	☐	
30/87	***Note:*** *Net sales from goods and services by segments is only necessary when business areas differ significantly. Geographical markets may comprise more than one country.*				
30/47	For acquisitions and disposals of fully and proportionally consolidated entities, the most important positions of the balance sheets of the entities acquired and disposed of are disclosed in the notes as per the date of the first consolidation or deconsolidation.	☐	☐	☐	
	In addition, the impact of the first consolidation or deconsolidation on the net sales is disclosed.	☐	☐	☐	
	The disclosures include the net sales since the acquisition date which are included in the consolidated income statement as well as the net sales until the acquisition date in the corresponding financial year.	☐	☐	☐	
	If the net sales until the acquisition date cannot be determined, the net sales according to the last available financial statements are disclosed.	☐	☐	☐	
	In the case of a disposal Swiss GAAP FER 30 169 Swiss GAAP FER 30 the disclosures encompass the net sales until the date of the deconsolidation included in the consolidated income statement as well as the net sales from the previous financial year.	☐	☐	☐	

Swiss GAAP FER 31 - Complementary recommendation for listed companies

As of 1 January 2015 FER 31 “Complementary recommendation for listed companies” came into force. Listed companies have to apply the FER framework, the Core-FER, the additional FER which are relevant for them, and Swiss GAAP FER 31.

Listed companies are entities, whose equity and/or debt instruments are listed or which filed an application for a listing and therefore are establishing a listing prospectus.

Undertakings, that are **listed and required to prepare consolidated financial statements,** have to apply for the FER 30 in addition to the Core-FER and the additional FER. The exclusive application of the Core-FER is not permitted for listed companies.

When Swiss GAAP FER 31 is **applied for the first time,** figures for the present year as well as the preceding year have to be restated in order to ensure consistency of presentation and structure. This applies also for interim reporting, if the requirements of Swiss GAAP FER 31 have an impact on interim reporting.

FER	Text	YES	N/A	N.M.	Ref.
I	**First time adoption**				
31/2	At the time of the conversion to Swiss GAAP FER the prior year period is presented in accordance with Swiss GAAP FER besides the current period in the annual as well as in the interim financial statements.	☐	☐	☐	
	All regulations in force at the time of the conversion are applied completely and retrospectively	☐	☐	☐	
	A reconciliation of the equity as per opening and end of the prior period as well as of the profit/loss for the prior period according to the accounting	☐	☐	☐	
II	**Share based payments**				
31/3	Share based payment are valued at the grant date at current cost.	☐	☐	☐	
	Share based payment are recognized as personnel cost and as equity or liability (cash settled instruments), respectively, over the vesting period.	☐	☐	☐	
	If no cash settlement is foreseen, beside the occurrence of changes of conditions regarding exercise or acquisition (e.g. vesting period) no subsequent measurement takes place.	☐	☐	☐	
	The **notes** comprise at least the following information:				
	• General conditions of the contract (e.g. conditions regarding exercise, number of equity instruments granted, way of settlement);	☐	☐	☐	
	• The basis of the calculation of the current cost;	☐	☐	☐	
	• The expense recognised in the result of the period.	☐	☐	☐	
III	**Discontinued operations (business areas)**				
31/4	Net sales from goods and services and the operating result of discontinued business areas (operations) are separately disclosed in the notes.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
	It is explained which geographical markets, business areas or subsidiaries are concerned by the decision.	☐	☐	☐	
IV	**Earnings per ownership right**				
31/5	Below of the income statement the **non-diluted** and the **diluted** earnings per ownership right are presented.	☐	☐	☐	
	The following information is disclosed:				
	• The calculation method for the non-diluted earnings per ownership right including the average outstanding number of ownership rights;	☐	☐	☐	
	• Reconciliation of the non-diluted to the diluted earnings per ownership right as well as an explanation of potentially diluting effects (e.g. future exercise of options, conversion of convertible bonds).	☐	☐	☐	
V	**Income tax**				
31/6	The average applied tax rate calculated on the basis of the operating profit is disclosed in the notes.	☐	☐	☐	
	The impact from changes in tax loss carry forwards on income taxes (e.g. origination, use, new estimate, expiration) is quantified and explained.	☐	☐	☐	
VI	**Financial liabilities**				
31/7	For financial liabilities, the following, separately or in groups of similar instruments, is disclosed in the notes:				
	• Valuation principles;	☐	☐	☐	
	• Conditions (e.g. interest rate, duration, currency).	☐	☐	☐	
	The recognition method regarding financial liabilities comprising elements of both, equity and liability is disclosed.	☐	☐	☐	
VII	**Segment reporting**				
31/8	The segment reporting used on the top management level to steer the business is presented for segment revenues and segment results.	☐	☐	☐	
31/14	***Note:*** *The segment reporting used to steer the business is classified in geographical markets or business segments.*				
	Segment revenues and segment results are reconciled to the income statement.	☐	☐	☐	
	If the disclosure of segment results is disclaimed, the justification is disclosed in the notes.	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
31/15	The segment result used by the top management level to steer the business is disclosed.	☐	☐	☐	
VII	**Interim reporting**				
31/9	Companies whose equity rights are listed have to issue an interim report. The interim reporting contains numerical data as well as explanations concerning the activities and the course of business of the entity during the reporting period. The objective of the interim report is a quantitative presentation of the result and a qualitative explanation of the course of the business.	☐	☐	☐	
31/10	As a minimum, for the reporting period as well as for the corresponding prior period at least the following is disclosed:				
	• Condensed income statement (including earnings per ownership right);	☐	☐	☐	
	• Condensed cash flow statement;	☐	☐	☐	
	• Condensed changes in equity.	☐	☐	☐	
	A condensed balance sheet as per opening and end of the reporting period is presented.	☐	☐	☐	
	As a minimum the headings and subtotals used in the most recent annual financial statements are used.	☐	☐	☐	
31/11	Financial information contained in the interim reporting is prepared on the basis of the same principles as the annual financial statements.	☐	☐	☐	
	Note: *For simplifications no adverse effects on the presentation of the course of the business occur.*				
31/12	The interim report comprise at least the following notes:				
	• Statement, that this is an interim report according to Swiss GAAP FER 31 which permits condensations in presentation and disclosure compared to an annual financial statement;	☐	☐	☐	
	• Disclosure and explanation of changes in accounting principles used and any corrections of errors and resulting effects;	☐	☐	☐	
	• Indication of factors that have had a significant impact on the financial positions, the cash flows and the results of operations of the entity during the reporting period and in comparison to the prior period;	☐	☐	☐	
	• Disclosure of segment revenues and segment results according to the segment reporting used on the top management level;	☐	☐	☐	

FER	Text	YES	N/A	N.M.	Ref.
	• Justifications if the disclosure of segment results is disclaimed;	☐	☐	☐	
	• Disclosure of extraordinary income and expense;	☐	☐	☐	
	• Explanation of any seasonality of income and expense and, if possible, quantification of their impact;	☐	☐	☐	
	• Description of significant events occurring after the interim reporting date.	☐	☐	☐	

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