

Global depositary receipts of Chinese companies on SIX

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The China-Switzerland Stock Connect, launched in 2022, allows companies listed on the Shanghai or Shenzhen stock exchanges to issue global depositary receipts (GDRs) and list them on SIX Swiss Exchange. For mainland issuers it opens a route to European capital and investor visibility without a full second listing of their A-shares.

1 How a GDR works

A GDR is a negotiable certificate issued by a depositary bank which represents a specific number of underlying shares of the issuer. In the Stock Connect structure, the underlying A-shares are newly issued and held by the depositary through a custodian in mainland China, and the GDRs are traded on SIX in a currency chosen for the programme. Conversion between GDRs and A-shares is possible under conditions set by the Chinese rules, including restrictions during an initial period.

2 Approvals in China and Switzerland

The issuer needs to complete the procedures required by the China Securities Regulatory Commission and the relevant mainland exchange before launching the offering. On the Swiss side, SIX applies a dedicated regulatory standard for depositary receipts, and the prospectus must be approved by a Swiss review body under the Financial Services Act. The Chinese and Swiss procedures have to be coordinated in timing and content, because investors and regulators in both markets will compare the disclosures.

3 Disclosure and ongoing obligations

After listing, the issuer remains subject to the regulatory regime of its home market and must also comply with the SIX rules applicable to depositary receipts, including ad hoc publicity and periodic reporting. Information released in China must reach Swiss investors at the same time and with the same content. The Swiss rules on market abuse apply to trading in the GDRs.

4 Practical considerations

The Chinese framework for overseas GDR issues has been amended since its introduction, and its scope and conditions may change again. Issuers should therefore verify the current eligibility criteria, size limits and lock-up rules at the time of planning. Investor demand, the choice of depositary and the cost of a dual compliance regime should be assessed realistically before the board commits.

5 What pays off in practice

- **Synchronise the timetables.** Chinese approvals and the Swiss prospectus review must be aligned from the outset.
- **Align disclosure processes.** One release procedure for both markets avoids inconsistent information.
- **Brief the board on Swiss market abuse rules.** Directors and staff trading in the issuer's securities must understand the Swiss regime as well.

6 How Ressos Legal helps

I advise mainland Chinese issuers and their advisers on the Swiss legal side of a GDR listing on SIX, from the prospectus to ongoing compliance, and work alongside their PRC counsel. [Contact me](#) for a first conversation.

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