

SCHWEIZERISCHE NATIONALBANK  
BANQUE NATIONALE SUISSE  
BANCA NAZIONALE SVIZZERA  
BANCA NAZIUNALA SVIZRA  
SWISS NATIONAL BANK



# Terms of Business

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# 1. General conditions

## 1.1 Purpose and scope of application

These Terms of Business regulate the legal transactions which the Swiss National Bank (SNB) may conclude based on art. 9 et seq. of the National Bank Act (NBA).

The SNB may set special conditions for certain business transactions. Unless otherwise provided for, they shall take precedence over these Terms of Business.

These Terms of Business shall also continue to apply after the termination of the entire business relationship or specific business relationships until all transactions have been concluded.

## 1.2 Exclusion of an obligation to contract

The National Bank Act and these Terms of Business do not establish and convey a right to conclude specific legal transactions with the SNB. The nature, size and timing of transactions will be determined by the SNB in accordance with its monetary policy needs. The SNB explicitly reserves the right to conclude certain business transactions either to a limited extent, or with only a limited circle of counterparties, or not at all.

## 1.3 Conflict with other terms of business

Based on its legal mandate and in the interest of equal treatment of its contracting partners, the SNB insists on the application of these Terms of Business. Central bank transactions are only concluded subject to the condition that the SNB's Terms of Business take precedence over those of a contracting partner.

## 1.4 Formal requirements for the SNB's contracting partners

The SNB may provide forms or stipulate other special requirements for the conclusion of a business transaction. In such a case, contractual agreements with the SNB are only validly concluded if the formal requirements have been fulfilled.

In the case of electronic transmission of orders or confirmations, the SNB may stipulate that a mutual means of identification be utilised.

The SNB stipulate that securities be submitted together with a specification sheet bearing (a) legally valid signature(s).

### **1.5 Recording of telephone conversations**

If, in the course of ordinary business transactions, such transactions are concluded or instructions given by telephone, the SNB is authorised to record telephone conversations on a recording medium.

These recordings may be used as evidence in court or in arbitration proceedings.

### **1.6 Authority to sign on behalf of the SNB**

Written documents that legally obligate the SNB bear the name 'SCHWEIZERISCHE NATIONALBANK, BANQUE NATIONALE SUISSE, BANCA NAZIONALE SVIZZERA, BANCA NAZIUNALA SVIZRA or SWISS NATIONAL BANK' and, in principle, the signatures of two persons with authority to sign.

The authorisation for the legally binding authority to sign on behalf of the SNB is governed by the SNB's regulations on the authority to sign as well as by the list of authorised signatures. The latest edition shall apply.

### **1.7 Authority to sign on behalf of the contracting parties**

The authorised signatories the contracting party has communicated to the SNB shall be binding for as long as no written notice of change has been received, irrespective of any changes of authority to sign that have been entered in the Commercial Register or have been published. The SNB has the right, however, to take into consideration any changes made in the Commercial Register or that have been published.

### **1.8 Communications from the SNB**

Communications from the SNB shall be deemed to be duly delivered if dispatched either to the last address of which it has been notified by the contracting party or in accordance with the latest instructions received from the contracting party. The time of dispatch is presumed to be the date of the documents in the possession of the SNB (copies, stored electronic data, mailing lists).

## **1.9 Liability of the SNB**

The SNB compares the signatures on documents with the specimen signatures on file. The SNB is entitled, though not obligated, to take other measures to establish the validity of signatures. Any damage resulting from a non-identified lack of authorisation and forgery is borne by the contracting party provided the SNB has taken all reasonable precautions under the circumstances. The SNB does not assume liability for any damage incurred by an account holder when the SNB notifies the responsible authority of any well-founded suspicion of money laundering or the financing of terrorism and when the assets of such an account holder or a third party affected by such a notification are blocked.

Any damage arising from the utilisation of postal services, telephone, other means of communication or transport companies, notably through loss, delay, misunderstandings, distorted messages or double orders, is borne by the contracting party provided the SNB has taken all reasonable precautions under the circumstances

## **1.10 Rights of lien and setoff**

The SNB has a right of lien on all assets which it holds for the account of the contracting party, whether in its own custody or placed elsewhere, and as regards liabilities towards the contracting party a right of setoff in respect of any and all claims arising out of their business relationship irrespective of the due dates or currencies in which such claims are expressed.

Immediately upon default on the part of the contracting party, the SNB shall be entitled to realise the pledged property at its own discretion, either by forced or private sale.

## **1.11 Charges**

The SNB may charge fees and commissions for its services as well as any expenses incurred.

### **1.12 Place of performance**

The place of performance for the contractual obligations entered into is the location of the SNB office (head office or branch) at which the account or custody account is held.

### **1.13 Notice of termination**

Unless otherwise agreed, the SNB and the contracting partner can terminate the entire business relationship or parts thereof at any time without giving notice.

### **1.14 Business hours**

Business with the SNB may only be transacted during the opening hours of the individual bank offices. Special business hours specified for individual types of business shall take precedence.

In all business done with the SNB Saturday is treated as an official public holiday.

### **1.15 Applicable law and jurisdiction**

Any and all legal transactions for which the Terms of Business apply shall be governed by Swiss law.

Any disputes arising out of and in connection with these legal transactions shall be settled before the regular courts in **Zurich 1**. However, the SNB has the right to take legal action against a contracting party before the competent court at his/her domicile or place of residence or before any other competent court.

### **1.16 Amendments to these conditions**

The SNB reserves the right to amend the Terms of Business and the special conditions for certain business types at any time. Amendments are communicated to the counterparty by registered letter. They are considered approved and henceforth form part of the contract if the counterparty has not objected to them in writing within a month of their dispatch.

### **1.17 General provision on data protection**

The contracting partner authorises the SNB to process his/her personal data to the extent that this is necessary for the performance of the contract. In order to provide the services as agreed with the contracting partner, the SNB processes data pertaining to the contracting partner (e.g. name, address) and to the contract (e.g. data at commencement of business, beginning and term of contract). The SNB owns these data. Data that are particularly worthy of protection or personal profiles may be passed on to third parties only with the express consent of the contracting partner or based on legal obligations.

### **1.18 Publication of data for specific bank services**

The contracting partner agrees that, for the settlement of payment and securities transactions, data pertaining to himself/herself as the account holder – in particular, his/her name, address and account number/IBAN – may be passed on to the financial institutions involved (in particular, domestic and foreign correspondent banks), to system operators or to SWIFT (Society for Worldwide Interbank Financial Telecommunication) and to beneficiaries in Switzerland and abroad which, in turn, may pass the data on to third parties in other countries for further processing or data back-up.

Any data that are transferred abroad are no longer protected by Swiss law but are subject to the laws of the respective foreign country.

As to the settlement of domestic and foreign payment transactions, the SNB reserves the right to return an incoming payment to the ordering party's bank if such payment lacks the full details of the ordering party. The SNB is not liable for any damages arising from payments that are not executed.

## 2. Payment transactions

### 2.1 Sight deposit transactions

- 2.1.1 The SNB keeps sight deposit accounts for
- banks within the meaning of the Banking Act (art. 9 para. 1 (a) NBA);
  - security dealers within the meaning of the Stock Exchange Act (art. 9 para. 1 (a) NBA);
  - operators of payment and securities settlement systems and other financial market infrastructure institutions (art. 9 para. 1 (a) NBA, art. 10 Federal Act on Currency and Payment Instruments);
  - cash processing operators without banking status, provided they meet the conditions laid down in section 2.4.4 (art. 10 Federal Act on Currency and Payment Instruments) and
  - Swiss Post (art. 10 Federal Act on Currency and Payment Instruments).

Banks, securities dealers and cash operators without banking status domiciled in the Principality of Liechtenstein have the same right to open a sight deposit account with the SNB as persons and companies in Switzerland (art. 9 Currency Treaty of 19 June 1980 between the Swiss Confederation and the Principality of Liechtenstein). The SNB may keep sight deposit accounts for

- foreign banks and other financial market participants (art. 9 para. 1 (a) NBA);
  - foreign central banks and international organisations (art. 10 NBA) and
  - the Swiss Confederation (art. 11 NBA).
- 2.1.2 Applications for the opening of a sight deposit account are to be addressed to the SNB in Zurich.

- 2.1.3 Sight deposits do not bear interest.  
Accounts may not be overdrawn. Payment orders will only be executed if there is sufficient cover on the respective account at the time the order is executed.
- 2.1.4 The SNB sends account statements to the account holders periodically, at least once a year.  
Objections to sight deposit account statements must be made in writing within 10 bank working days. If no objection has been received within this period, the statements are deemed to have been approved.  
Objections as a result of inadequate execution or non-execution of orders must be made immediately upon receipt of the corresponding notification. If an expected notification is not received, the contracting partner must lodge an objection as soon as such notification should have been received in the course of ordinary business transactions and regular postal delivery. In the case of a delayed objection, the contracting partner will be liable for any damage incurred.
- 2.1.5 The SNB publishes a directory of the holders of sight deposit accounts.
- 2.1.6 When sight deposits are used as a means of payment in the electronic transfer system Swiss Interbank Clearing (SIC) or in other payment systems, the SNB is authorised to debit and credit the sight deposit accounts of participating institutions on the basis of instructions received from persons that render services for these payment systems.

## **2.2 Cheque transactions**

- 2.2.1 The SNB may provide account holders with cheque forms. No bearer cheques may be drawn on the SNB.
- 2.2.2 Cheques drawn on the SNB may be obtained by the account holders and will be debited to their account.

## **2.3 Collection**

- 2.3.1 The SNB accepts for collection cheques, bills of exchange payable to banks and documentary bills.
- 2.3.2 If the paper submitted for collection is made out to order, it must be endorsed to the credit of the SNB without designation of the particular SNB office. The regulations of Convention XIII of the Swiss Bankers' Association concerning the facilitation of bill and cheque collection remain reserved. This convention is issued to the contracting party on demand.
- 2.3.3 The SNB credits the account upon receipt of the countervalue.

## **2.4 Cash transactions**

- 2.4.1 The SNB accepts worn, damaged and soiled banknotes and coins at its counters. It exchanges notes and coins for cash with different par values (arts. 4, 5, 7 and 8 Federal Act on Currency and Payment Instruments; art. 6 Coinage Ordinance).
- 2.4.2 In matters concerning the supply of cash (cash deposits and cash withdrawals) to banks as defined in the Banking Act as well as to Swiss Post and Swiss Federal Railways, the SNB deals in principle with their respective head offices or regional offices (branch offices responsible for cash transactions with the SNB in an area defined by the SNB).
- 2.4.3 In places where the SNB has neither a head office, a branch or an agency, the head offices of banks, Swiss Post and Swiss Federal Railways domiciled in these places can order cash from, or return it to, the responsible SNB office (head office or branch) by railway or postal service.  
In lieu of dispatching cash by railway or postal service, these head offices may pay in or withdraw cash at the counter of the nearest SNB office (head office, branch or agency).

2.4.4 Cash processing companies without banking status which process cash professionally for third parties and/or supply these with cash and which regularly deposit or withdraw cash at the SNB (head office or branch) on their own behalf may open a sight deposit account with the SNB for this purpose. The SNB determines whether the cash processing company exercises a clearing function. The SNB may make the opening of a sight deposit account subject to evidence that the cash processing company has taken adequate measures to prevent money laundering.

The SNB reserves the right to determine the place and size of deposits and withdrawals. All deposits and withdrawals and any adjustment of differences are made via this account.

Cash processing companies with a sight deposit account at the SNB may apply for a cash deposit facility. The conditions for setting up and operating a cash deposit facility are laid down in a separate agreement. Applications for opening a cash deposit facility must be sent to the SNB in Berne.

2.4.5 Holders of a sight deposit account may allow cash deposits and cash withdrawals to be made by third parties at their own risk and expense.

Cash deposits and cash withdrawals by third parties are only admissible if said third parties act as couriers on behalf and for account of the account holder.

2.4.6 The account holder must give prior written notification to the SNB of his/her intention to employ a courier for cash transactions. These Terms of Business and the directives issued by the SNB are binding upon the courier as upon the account holder.

2.4.7 The signatures of those couriers authorised to acknowledge receipt are to be deposited in advance at the SNB. The SNB is entitled to but not obligated to verify the courier's authorisation on the basis of the signatures on file.

- 2.4.8 Cash withdrawals by account holders are made against receipt. Cash deposits by account holders must be made in a form complying with the requirements of the SNB. Unsorted cash is not exchanged for sorted cash. Cash is regarded as unsorted if notes and coins that are no longer suitable for circulation have not been separated from acceptable notes and coins.
- 2.4.9 If cash is to be changed on a regular basis and in large amounts, the account holder must come to a respective advance agreement with the SNB office (head office, branch or agency) in the operating area concerned.
- 2.4.10 Accounts may not be overdrawn. Debits are only made if there is sufficient cover in the non-interest bearing sight deposit account at the time of debit.

## **2.5 Relations with correspondents**

The SNB may authorise domestic banks to serve as its correspondents. Relations with its correspondent banks are regulated by special conditions.

## 3. Repo transactions

### 3.1 General

- 3.1.1 Based on art. 9 para. 2 NBA, the SNB conducts repo transactions. The different transactions are spelled out in the Guidelines of the Swiss National Bank on Monetary Policy Instruments. The special conditions and procedures regarding the conclusion of these transactions are contained in the SNB's Instruction Sheets. The latest editions of these Instruction Sheets are an integral part of the present Terms of Business.
- 3.1.2 The SNB counterparties are determined by the SNB Instruction Sheets on Open Market Operations, on the Intraday Facility, on the Liquidity-Shortage Financing Facility and on the Custody Cover Account 'SNB'. Neither these Terms of Business nor the Instruction Sheets obligate the SNB in any way to conclude repo transactions with any particular counterparty.
- 3.1.3 The SNB only accepts securities for the collateralisation of its monetary policy transactions that meet the requirements set out in the SNB Instruction Sheet on Collateral Eligible for SNB Repos.

### 3.2 Open market operations

The SNB conducts repo transactions under its open market operations. These transactions are governed by the special conditions and procedures set out in the SNB Instruction Sheet on Open Market Operations.

### 3.3 Standing facilities

- 3.3.1 The SNB conducts repo transactions under its standing facilities.

- 3.3.2 In so doing, the SNB offers its counterparties liquidity through the intraday facility. The intraday facility is governed by the special conditions and procedures set out in the SNB Instruction Sheet on the Intraday Facility.
  
- 3.3.3 The SNB additionally offers its counterparties a liquidity-shortage financing facility at a special rate. Special-rate repo transactions are governed by the special conditions set out in the SNB Instruction Sheets on the Liquidity-Shortage Financing Facility and on the Custody Cover Account 'SNB'.

## 4. Foreign exchange and gold transactions

### 4.1 Foreign exchange transactions

- 4.1.1 The SNB buys and sells foreign currency denominated receivables and international payment instruments (spot or forward) on its own account or for the account of third parties. In addition, the SNB buys and sells such receivables while at the same time agreeing to resell or repurchase such receivables on a specified date (swap transactions).
- 4.1.2 The counterparties mutually confirm foreign exchange transactions concluded. As a rule, confirmation ensues on the same day by SWIFT message.
- 4.1.3 In the case of foreign exchange transactions, the SNB may request that the counterparty provide sufficient collateral or that receivables sold by it be credited only upon receipt of the countervalue.

### 4.2 Gold operations

- 4.2.1 The SNB buys and sells gold on the spot market in conformity with standard practices.
- 4.2.2 In addition, special contractual conditions apply for any other gold operations concluded by the SNB.

## 5. Custody services

### 5.1 Purchase and sale of custody assets

- 5.1.1 The SNB buys and sells intermediated securities, certificated and uncertificated securities (hereinafter referred to as 'custody assets') for the account of third parties and accepts subscriptions for new issues.
- 5.1.2 The purchase and sale of custody assets will be concluded in conformity with the customs and practices of the place of execution.
- 5.1.3 Orders for third parties will only be carried out if sufficient collateral has been provided.

### 5.2 Custody and administration of custody assets

- 5.2.1 The SNB accepts custody assets for custody, book entry and administration in an open custody account. The SNB is entitled to decline the acceptance of custody assets either entirely or in part without specifying any reasons.
- 5.2.2 The depositor agrees to his/her certificated securities being entrusted to sub-custodians for collective custody. The depositor has a co-ownership interest in the collective deposit in proportion to the certificated securities he/she deposited therein.
- 5.2.3 The SNB may, at the depositor's cost and risk, deposit the custody assets at a sub-custodian in Switzerland or abroad. If the custody assets are deposited abroad, they are subject to the law and practices of the place of deposit. If foreign legislation makes it impossible or difficult for the SNB to restore custody assets deposited abroad, the SNB is only obligated to secure for the depositor a proportionate claim to the restoration of custody assets at the place of deposit.

- 5.2.4 The SNB will, without the express order of the depositor:
- a) collect interest, dividends and repayments of capital;
  - b) monitor drawings by lots, the calling of bonds, conversions and capital increases;
  - c) exchange securities and obtain new coupon sheets.
- 5.2.5 The SNB will, on written order of the depositor, attend to:
- a) conversions;
  - b) the exercise of conversion and option rights and the exercise, purchase and sale of subscription rights. Unless the depositor issues instructions to the contrary, the SNB will sell the subscription rights at the best possible price on the last day on which the rights are traded; conversion and option rights are not exercised.
- 5.2.6 The SNB sends account statements to the depositors periodically, but at least once a year.
- Objections to custody account statements must be made in writing within 10 bank business days. If no objection has been received within this period, the statements are deemed to have been approved.
- Objections as a result of inadequate execution or non-execution of orders must be made immediately upon receipt of the corresponding notification. If an expected notification is not received, the contracting partner must object as soon as such notification should have been received in the course of ordinary business transactions and regular postal delivery. In the case of a delayed objection, the contracting partner will be liable for any damage incurred.

Issued by the Governing Board on 22 April 2004.

Amended on 24 September 2009 (effective as from 1 January 2010).

# Annex I

## List of head offices, branch offices and agencies of the Swiss National Bank

<b>Head offices</b>	<b>Berne</b>
	3003 Berne, Bundesplatz 1
	<b>Zurich</b>
	8022 Zurich, Börsenstrasse 15
<b>Branch office with cash distribution services</b>	<b>Geneva</b>
	1211 Geneva, Rue François Diday 8
<b>Agencies</b>	<b>Altdorf</b>
	Urner Kantonalbank, 6460 Altdorf
	<b>Appenzell</b>
	Appenzeller Kantonalbank, 9050 Appenzell
	<b>Chur</b>
	Graubündner Kantonalbank, 7002 Chur
	<b>Fribourg</b>
	Banque Cantonale de Fribourg, 1701 Fribourg
	<b>Glarus</b>
	Glarner Kantonalbank, 8750 Glarus
	<b>Liestal</b>
	Basellandschaftliche Kantonalbank, 4410 Liestal
	<b>Lucerne</b>
	Luzerner Kantonalbank, 6002 Lucerne
	<b>Sarnen</b>
	Obwaldner Kantonalbank, 6060 Sarnen
	<b>Schaffhausen</b>
Schaffhauser Kantonalbank, 8201 Schaffhausen	
<b>Schwyz</b>	
Schwyzner Kantonalbank, 6430 Schwyz	
<b>Sion</b>	
Banque Cantonale du Valais, 1951 Sion	
<b>Stans</b>	
Nidwaldner Kantonalbank, 6370 Stans	
<b>Zug</b>	
Zuger Kantonalbank, 6301 Zug	

# Annex II

## List of Instruction Sheets for the Guidelines of the Swiss National Bank on Monetary Policy Instruments

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Instruction Sheet on Open Market Operations

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Instruction Sheet on the Intraday Facility

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Instruction Sheet on Collateral Eligible for SNB Repos

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Instruction Sheet on the Liquidity-Shortage Financing Facility

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Instruction Sheet on the Custody Cover Account 'SNB'

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Instruction Sheet on cashless payment transactions

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The latest editions of these Instruction Sheets can be accessed on the SNB website ([www.snb.ch](http://www.snb.ch), *The SNB, Legal basis, Guidelines and regulations*).

Swiss National Bank  
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