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Press release

National Bank takes up gold sales

The Swiss National Bank began its gold sales on 1 May. It intends to put a maximum of 120 tonnes of gold on the market by the end of September 2000. This is the first tranche of a programme of sales totalling 1,300 tonnes of gold. The transactions of the National Bank will be effected within the framework of the agreement on gold sales concluded between 15 European central banks on 26 September 1999. The National Bank has commissioned the Bank for International Settlements (BIS) with the sale of the first tranche of gold.

The gold sales will go ahead after entry into force of the Federal law on currency and payment instruments as of 1 May 2000. With the new law, the Swiss franc's official gold parity of Sfr 4,595 per kilo no longer applies. The National Bank can, therefore, complete gold transactions at market prices. The repercussions of the change of legislation on the balance sheet will be evident in the next National Bank return to be published on 11 May.

The Swiss National Bank will continue to hold a significant portion of its reserves in the form of gold. Upon completion of the programme of sales, the Bank's gold reserves will still total 1,290 tonnes. Switzerland will, therefore, continue to rank among the group of countries with significant gold reserves.

Swiss National Bank