

**This is an English translation of a German original.**

**Only the German original text is authoritative and legally binding.**

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## **SNB Bills – Issue Conditions**

The Swiss National Bank issues – either by auction or by private placement – tradable money market debt register claims (referred to hereinafter as ‘SNB Bills’) according to the following conditions and the conditions of a specific issue.

By submitting an offer – or, in the case of a private placement, by participating in the subscription procedure – the participant declares that they agree to these conditions and to the conditions set out for a specific issue.

### **Restrictions:**

The distribution of these Issue Conditions and any modifications as well as the offering, sale and transfer of SNB Bills and associated advertising in or from certain countries may be subject to legal restrictions. Persons into whose possession these Issue Conditions and any modifications come are required to inform themselves about and to observe any such restrictions. The SNB does not accept any responsibility and/or liability in relation to the distribution of these Conditions and the offering, sale or transfer of SNB Bills or associated advertising in any country. No action has been or will be taken by the SNB to initiate a procedure, for example, to approve or register the offering of SNB Bills in any country where such action is required.

These Issue Conditions do not constitute an offer to subscribe for, sell or transfer SNB Bills in those countries where such an offer is subject to legal restrictions.

**European Economic Area:** These Issue Conditions have been drawn up on the assumption that no offer is made in a member state of the European Economic Area for which a prospectus within the meaning of the prospectus regulations applicable in the European Economic Area is required.

**United Kingdom:** These Issue Conditions have been drawn up on the assumption that no offer is made in the United Kingdom which does not comply with the requirements of the Financial Services and Markets Act 2000 (including amendments) and its implementing provisions ('FSMA') and/or for which a prospectus within the meaning of the prospectus regulations applicable in the United Kingdom is required.

This communication is being distributed only to, and is directed only at persons in the United Kingdom who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the 'Order') and persons falling within Article 49(2) of the Order (all such persons together being referred to as 'relevant persons'). In the United Kingdom, this communication must not be acted on or relied on by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with such persons.

By agreeing to the conditions for a specific issue, each participant represents and agrees in respect of each such issue:

- i. that it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and it has not and will not offer or sell SNB Bills to any persons other than to persons whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business;
- ii. it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) received by it in connection with the issue or sale of any SNB Bills in circumstances in which Section 21(1) of the FSMA does not apply to SNB; and
- iii. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such SNB Bills in, from or otherwise involving the United Kingdom.

**United States of America:** SNB Bills are not and will not be registered according to the US Securities Act of 1933 (including amendments). They may not, therefore, be offered, sold or transferred either in the United States of America or to 'US persons' as defined in US regulations.

**Issuer:**

<b>Company, registered office, purpose</b>	The Swiss National Bank is a special-statute joint-stock company established under the Federal Act on the Swiss National Bank (hereinafter the ‘NBA’), with its registered office in Zurich and Berne. It was entered in the commercial register on 6 June 1907 and conducts Switzerland’s monetary policy as an independent central bank.
<b>Share capital, dividend</b>	The share capital, which totals CHF 25 million, is divided into 100,000 registered shares with a nominal value of CHF 250 each. The transferability of the shares is restricted under the terms of art. 26 NBA. The dividends paid in the past years are disclosed in the annual financial report of the year to which they pertain.
<b>Annual financial report, auditors’ report, interim results</b>	The annual financial report and auditors’ report of the issuer can be viewed at <a href="http://www.snb.ch, News &amp; Publications/Annual report">www.snb.ch, News &amp; Publications/Annual report</a> . The issuer publishes quarterly interim results at <a href="http://www.snb.ch, The SNB/Organisation/Annual financial statements and profit/Interim results">www.snb.ch, The SNB/Organisation/Annual financial statements and profit/Interim results</a> . These documents can also be obtained free of charge from the issuer (Swiss National Bank, Secretariat General, P.O. Box, CH-8022 Zurich, email: <a href="mailto:gs.zh@snb.ch">gs.zh@snb.ch</a> ).

**SNB Bills:**

<b>Amount</b>	Fixed at the issuer’s discretion at the end of the subscription period.
<b>Currency</b>	CHF
<b>Interest</b>	Discount basis; on the redemption date, the nominal amount less any withholding tax is paid.
<b>Issue price</b>	According to the conditions of a specific issue.
<b>Denomination</b>	CHF 1 million
<b>Subscription period</b>	According to the conditions of a specific issue.
<b>Auction or private placement</b>	<p>SNB Bills are either offered for subscription or are privately placed. With private placement, the subscription modalities are agreed individually.</p> <p>If SNB Bills are offered for subscription, the following auction terms apply.</p> <p>Offers must be submitted to the issuer within the subscription period as ‘orders’ via the SIX Repo Ltd electronic ‘OTC Spot Market’.</p> <p>The auction is conducted by one of the two following procedures:</p> <p><b>Fixed rate tender:</b> The issuer defines the issue price. With their offer, each participant submits the amount for which they are willing to accept SNB Bills at the issue price. Individual offers must amount to at least CHF 1 million.</p> <p><b>Variable rate tender:</b> With their offer, each participant submits the amount for which they are willing to accept SNB Bills and the price they are willing to pay. The price must be indicated as a percentage of the nominal amount (basis: 100%, the number of decimal places depends on the conditions of the individual issue). Each participant may submit any desired number of offers, which may also contain different prices. Offers without a price are not admitted. The issuer may set a minimum and/or a maximum price for offers. Individual offers must amount to at least CHF 1 million.</p> <p>At the end of the subscription period, the offer is binding on the participant until allotment by the issuer.</p> <p>The issuer reserves the right to withdraw a planned issue during or after the subscription period right up to the time of allotment.</p>
<b>Allotment</b>	<b>Fixed rate tender:</b> If the total amount of all offers received exceeds the auction volume defined by the issuer, the latter makes a proportional reduction per participant when allotting the SNB Bills.

The amount allotted to each participant is rounded up or down to the next multiple of the denomination of the SNB Bills at the issuer's discretion.

**Variable rate tender:**

a) Dutch auction (single rate auction): SNB Bills are consistently allotted at the lowest price accepted by the issuer to those participants who have offered that or a higher price. Offers that exceed the lowest accepted price are fully satisfied. If the total amount of offers at the lowest accepted price exceeds the remaining amount to be allotted, the latter is allotted proportionally to the participants with the corresponding offers according to the ratio between the remaining amount to be allotted and the total amount of these offers. The amount allotted to each participant is rounded up or down to the next multiple of the denomination of the SNB Bills at the issuer's discretion. Offers that fall short of the lowest price accepted by the issuer are not considered.

b) American auction (multiple rate auction): SNB Bills are allotted – at the price stated in the individual offer – to those participants who have offered at least the lowest price accepted by the issuer. Offers that exceed the lowest accepted price are fully satisfied. If the total amount of offers at the lowest accepted price exceeds the remaining amount to be allotted, the latter is allotted proportionally to the participants with the corresponding offers according to the ratio between the remaining amount to be allotted and the total amount of these offers. The amount allotted to each participant is rounded up or down to the next multiple of the denomination of the SNB Bills at the issuer's discretion. Offers that fall short of the lowest price accepted by the issuer are not considered.

The SNB Bills are allotted by the issuer after the subscription period has ended.

**Participation**

All parties who have a sight deposit account with the issuer and who are authorised to participate in the SIX Repo Ltd 'CH Repo Market' and 'OTC Spot Market' are eligible to participate in auctions.

The issuer can take part in an auction. Any participation by the issuer shall have no influence on the allotments to the participants or the issue price.

**Payment**

According to the conditions of a specific issue.

The payment obligation for the amount of the total price of the SNB Bills allotted arises when the issuer allots the SNB Bills.

Payment is made 'delivery versus payment' via the participant's sight deposit account with the issuer.

If an amount payable, or part thereof, is not received by the issuer until after the specified payment date, default interest is charged on the amount outstanding as defined in the default provisions in the latest version of the 'Instruction sheet on the liquidity-shortage financing facility'. The default interest is debited from the participant's sight deposit account, subject to due notification.

The issuer does not send any confirmation by post.

**Issue result**

The issuer is not obliged to publish the result of the issue.

**Entry in the register**

SNB Bills are issued as uncertificated securities as per art. 973c of the Swiss Code of Obligations and held at SIX SIS Ltd, Olten (hereinafter 'SIS') as intermediated securities. The allotment of SNB Bills is evidenced in the securities accounts holdings which SIS keeps for participants.

The issuer has the right to inspect the securities accounts SIS keeps for participants.

**Transferability**

SNB Bills are transferable in denominations of CHF 1 million. The transfer of SNB Bills is governed by the regulations applicable to intermediated securities.

**Redemption**

According to the conditions of a specific issue.

	<p>Redemption is effected by SIS to the participants according to the holdings in the securities accounts by crediting their sight deposit accounts held with the issuer. For the issuer, redemption to the SIS participants has a discharging effect with respect to these participants and/or their clients.</p> <p>If the redemption date does not fall on a Swiss Interbank Clearing (hereinafter ‘SIC’) clearing day, the corresponding amounts are credited on the next SIC clearing day.</p>
<b>Repurchase</b>	<p>The issuer has the right to repurchase SNB Bills for its own investment, resale or redemption purposes at any time during the term of the Bills.</p> <p>During the term of the SNB Bills, the creditors are not authorised to resell SNB Bills to the issuer or to terminate SNB Bills.</p>
<b>Taxes</b>	<p><u>Federal stamp tax on issue of securities</u>: This tax – if applicable – is borne by the issuer.</p> <p><u>Federal stamp tax on transfer of securities</u>: SNB Bills with a term of not more than 12 months are exempt from this tax.</p> <p><u>Withholding tax</u>: The income is subject to withholding tax. Withholding tax is deducted by SIS on behalf of the issuer and transferred to the Swiss Federal Tax Administration. The tax is not payable if, at the time of redemption, the SNB Bills are held by a bank or central securities depository, according to the relevant Swiss or foreign legislation, for its own account (hereinafter ‘own holdings’). Domestic banks are always credited without deduction of any withholding tax. Foreign banks are credited without deduction of any withholding tax only if they hold the SNB Bills at SIS as own holdings. Central securities depositories are credited without deduction of any withholding tax only in the case of SNB Bills held as own holdings, for domestic banks, or for foreign banks that have explicitly confirmed holding the SNB Bills for their own account (‘confirmation of own holdings’). Foreign banks and central securities depositories must keep their own holdings at SIS in segregated custody accounts.</p>
<b>Inclusion in the list of collateral eligible for SNB repos</b>	<p>The SNB Bills will be included in the list of collateral eligible for SNB repos. They may be delivered during such transactions either by counterparties or by the SNB.</p>
<b>Applicable law, place of jurisdiction</b>	<p>SNB Bills, in particular their establishment, conditions, terms and form, are governed by Swiss law, excluding any conflicts of law provisions. The exclusive place of jurisdiction is Zurich (Switzerland).</p>

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The issue conditions and the conditions of a specific issue of SNB Bills shall be published at [www.snb.ch](http://www.snb.ch), [The SNB/Responsibilities and goals/Monetary Policy/SNB Bills](#). These documents can also be obtained free of charge from the issuer (Swiss National Bank, Back office, P.O. Box, CH-8022 Zurich, email: [bo.trading@snb.ch](mailto:bo.trading@snb.ch)).

Swiss National Bank