



CLS Bank International

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Via Email

April 18, 2013

Swiss National Bank
Andy Sturm
Director
Bundesplatz 1
CH-3003 Berne
oversight@snb.ch

Dear Mr. Sturm,

I am writing in response to the Draft Revised National Bank Ordinance released for consultation (the "Draft NBO"), dated April 5, 2013. CLS Bank International ("CLS Bank") appreciates the Swiss National Bank's (the "National Bank") efforts to ensure the consistent implementation in Switzerland of the new CPSS-IOSCO international standards.

Pursuant to the attached letter from the National Bank to CLS Bank, dated December 10, 2004, CLS Bank received confirmation that based on Chapter 4, Section 1, Article 21 (Discharge from compliance with minimum requirements) of the National Bank Ordinance (the "NBO"), the CLS system is exempt from (a) compliance with the minimum requirements pursuant to Article 20(2) of the National Bank Act and Chapter 4, Section 2 of the NBO and (b) consequently, from the obligations set forth in Chapter 4, Section 3 of the NBO. The discharge is comprehensive, and includes reporting requirements and the approval of obligations laid down in Articles 36 – 38 of the NBO.

For the same reasons and circumstances, which apply equally today, we would assume it is intended that the CLS system would be exempt pursuant to Article 21 of the Draft NBO, specifically with respect to the minimum requirements specified in Articles 22-34 and the obligations in Articles 35-37 of the Draft NBO. We note that the Draft NBO is intended to implement the new CPSS-IOSCO Principles for Financial Market Infrastructures, April 2012 (the "Principles for FMIs") and that CLS Bank, as a financial market infrastructure, is already planning to self-assess its compliance with the Principles for FMIs, and plans to publish its assessment in due course. We are happy to



provide additional detail as to why we think the exemption remains appropriate, if that would be helpful.

If it is not the intention of the National Bank to exempt the CLS system, in light of the May 3, 2013 deadline for comments to the Draft NBO, we kindly ask that you advise us as soon as possible so that we can prepare substantive comments to the Draft NBO. If the CLS system is subject to the exemption, once the law is enacted, we would be most grateful if you could provide a letter similar to the attached December 10, 2004 letter providing official assurance that CLS does not need to comply with the amended NBO.

Best regards,

A handwritten signature in black ink, appearing to read 'Dino Kos', written over a horizontal line.

Dino Kos

cc: Alan Marquard, Chief Legal Officer