

Regulations on the office-holder relationship and employment relationship of members of the Governing Board of the Swiss National Bank (SNB) and their deputies (Regulations on the Governing Board)

of 14 May 2004 (as at 1 May 2018)

1. General provisions

1.1 Subject

¹ Within the framework of the provisions of the National Bank Act, these regulations govern the office-holder relationship and employment relationship of members of the Governing Board and their deputies, who together make up the Enlarged Governing Board.

² The employment relationship is governed by public law.

1.2 Supplementary provisions to these regulations

The following additional regulations apply: the Compensation Regulations and, mutatis mutandis, the General Terms of Employment, the Salary Regulations of the Swiss National Bank, and the rules set out under Title Ten of the Swiss Code of Obligations (Employment Contract).

2. Eligibility, screening and incompatibility

2.1 Eligibility

Persons with an impeccable reputation and a recognised knowledge of monetary, banking and financial issues can be elected as members of the Enlarged Governing Board. They must, moreover, hold Swiss citizenship and be resident in Switzerland (art. 44 NBA).

2.2 Screening of candidates

¹ Prior to nominating a person for the Enlarged Governing Board, the SNB verifies the integrity of the candidate.

² The screening is aimed at ensuring that members of the Enlarged Governing Board have complete freedom to act and make decisions. To this end, any dependencies and conflicts of interest must be disclosed. This screening thus serves to protect the integrity and independence of the SNB.

³ The screening is carried out before the Bank Council makes its decision on which candidate it intends to propose to the Federal Council. The candidate must give prior written consent to the screening.

⁴ As part of the screening, security-relevant information on the conduct of the candidate's personal life is collected. Such information includes, in particular, close personal relationships and family situation, any prior convictions, financial situation, memberships in associations or mandates which could lead to a conflict of interest with the SNB or endanger its reputation.

2.3 Personal incompatibility

¹ The following persons must not be members of the Enlarged Governing Board at the same time:

- a. spouses, registered partners or cohabiting partners
- b. spouses of siblings or registered partners of siblings or cohabiting partners of siblings;
- c. relatives or persons related by marriage in the direct line and up to and including the third degree in the collateral line.

² There must be no relationship within the meaning of section 1 between a member of the Enlarged Governing Board and an employee reporting directly to him/her.

2.4 Functional incompatibility and secondary employment

¹ Members of the Enlarged Governing Board must neither be members of the Federal Assembly nor the Federal Council, nor any federal court. They may not hold a corresponding cantonal office.

² The Bank Council may, upon the proposal of the Governing Board, permit a member of the Enlarged Governing Board to engage in unpaid secondary employment, provided this does not have a detrimental impact on the unrestricted performance of his/her duties or on the independence and standing of the SNB.

³ With the exception of the cases set out in the following paragraphs, members of the Enlarged Governing Board may not engage in any paid secondary employment.

⁴ The Governing Board may delegate a member of the Enlarged Governing Board to the board of directors or supervisory board of a company or organisation if the Swiss National Bank has a stake or any other interest in such an entity.

⁵ The Bank Council may, upon the proposal of the Governing Board, permit a member of the Enlarged Governing Board to take on a teaching assignment at a university or an institute of higher learning if this is in the interest of the SNB.

⁶ Once a year, the Governing Board reports to the Compensation Committee of the Bank Council on the mandates and any secondary employment of the

members of the Enlarged Governing Board pursuant to paras. 2 to 5 above, as well as the remuneration they receive for these activities.

3. Establishment of the office-holder relationship and employment relationship, and term of office

3.1 Establishment

¹ The office-holder relationship and the employment relationship between the SNB and members of the Enlarged Governing Board are established through the appointment by the Federal Council (art. 43 para. 2 NBA). The member of the Enlarged Governing Board is sent an excerpt from the relevant Federal Council meeting; no employment contract is prepared.

² If a member of the Enlarged Governing Board was employed by the SNB under private law prior to his/her appointment, this employment relationship is considered terminated upon taking up the new office.

3.2 Term of office

¹ The term of office of members of the Enlarged Governing Board is six years, with the possibility of being reappointed (art. 43 para. 2 NBA).

² If a member of the Enlarged Governing Board is replaced during the current term of office, the appointment of a substitute member shall be valid until the end of the term of office.

4. End of office-holder relationship and employment relationship

4.1 Principles

The office-holder relationship and employment relationship of members of the Enlarged Governing Board end upon resignation, retirement, non-reappointment or removal from office.

4.2 Resignation

4.2.1 Period of notice

¹ A member of the Enlarged Governing Board may terminate the employment relationship during his/her current term of office by giving twelve months' notice with effect from the end of a month; his/her time in office will end after six months of this notice period and the member of the Enlarged Governing Board will be released from his/her duties for the final six months.

² The Bank Council may, in agreement with the Governing Board, allow an earlier end of the term of office and an earlier termination of the employment relationship.

4.2.2 Form

The resignation must be given in writing and submitted to the President of the Bank Council. The latter informs the Bank Council, the Governing Board and the Head of the Federal Department of Finance (FDF).

4.3 Retirement

¹ Members of the Extended Governing Board retire from office with effect from the end of the month in which they reach the age of 65.

² Members of the Extended Governing Board may retire from office at the earliest at the end of the month in which they reach the age of 58. The President of the Bank Council must be notified of the retirement from office in writing at least six months in advance.

³ In both of the above cases, the employment relationship ends without notice six months after the end of the time in office, although the member of the Extended Governing Board will be released from his/her duties for these final six months.

⁴ In exceptional circumstances, the Bank Council may allow a member of the Extended Governing Board to stay in office until he/she reaches the age of 68. Partial retirement is not permitted.

4.4 Non-reappointment

¹ In the case of non-reappointment, the time in office ends with the expiry of the term of office.

² The employment relationship ends without notice six months after the expiry of the time in office, although the member of the Extended Governing Board will be released from his/her duties for these final six months.

4.5 Removal from office

4.5.1 Principles

¹ Following a proposal by the Bank Council, a member of the Enlarged Governing Board can be removed from office by the Federal Council during his/her term of office if said person no longer fulfils the requirements for exercising this office or has committed a grave offence (art. 45 NBA).

² In the case of removal from office, the time in office is deemed to have ended with the Federal Council's approval of the removal from office at the proposal of the Bank Council. The employment relationship ends without notice six months after the expiry of the time in office, although the member of the Extended Governing Board will be released from his/her duties for these final six months.

³ With regard to the procedure for removal from office, the provisions of the Federal Act on Administrative Procedure of 20 December 1968 are applicable.

4.5.2 Investigation Committee of the Bank Council

The Bank Council appoints an investigation committee consisting of three members and headed by the President of the Bank Council. The Investigation Committee conducts the necessary investigations and submits a request, stating the reasons, to the Bank Council for the attention of the Federal Council.

4.5.3 Precautionary measures

In urgent cases, the President of the Bank Council may, as a precautionary measure, suspend a member of the Enlarged Governing Board from his/her duties. The President immediately informs the Bank Council, the Governing Board and the Head of the Federal Department of Finance.

4.6 Restrictions following the end of the time in office

4.6.1 Activities for financial intermediaries

¹ Members of the Enlarged Governing Board may not carry out any paid or unpaid activity for:

- a. a financial intermediary in Switzerland or abroad, for a period of six months following the end of the time in office;
- b. for a Swiss bank considered systemically important pursuant to the Federal Act of 8 November 1934 on Banks and Savings Banks (Banking Act), for a period of twelve months following the end of the time in office.

² The Bank Council may grant exceptions or concessions provided that they do not lead to a conflict of interest with the SNB or endanger its reputation. The granting of such exceptions or concessions may be made subject to certain conditions and/or an early termination of the employment relationship.

4.6.2 Activities for other companies

¹ Carrying out paid or unpaid activities for other companies as a financial intermediary is permitted after the end of the time in office subject to the approval of such activities by the Bank Council.

² The Bank Council gives its approval provided that a conflict of interest with the SNB or a danger to its reputation can be ruled out. The approval may be made subject to certain conditions and/or an early termination of the employment relationship.

4.7 Continuation of salary payments and remuneration

¹ The restrictions following the end of the time in office are compensated for in full by the salary payments (excluding representation allowances) during the period of release from duties.

² All other income and remuneration during the period of release from duties in respect of activities requiring approval are to be offset against the salary payments during that period.

7.2 Other leave

In addition to paid short-term leave (section 4.4.1 General Terms of Employment), the Bank Council may, in justified cases, grant a member of the Enlarged Governing Board other paid or unpaid leave.

8. Rules of conduct

¹ The SNB Code of Conduct is binding for the members of the Enlarged Governing Board.

² The Bank Council issues additional regulations on the conduct of members of the Enlarged Governing Board where this is necessary to protect the good reputation, integrity and standing of the SNB.

³ In particular, it may impose restrictions upon private financial investments and financial transactions by members of the Enlarged Governing Board and require them to disclose their assets.

⁴ In the event of any infringements against these rules of conduct, the Bank Council may:

- a. Issue reprimands and warnings;
- b. Order that salary payments be discontinued for a period of two months, at the most;
- c. Impose the sanctions set out in the regulations.

⁵ A serious infringement against the rules of conduct may constitute a grave offence as specified in art. 45 para. 1 NBA.

Issued by:	Bank Council	Issued on:	14.05.2004
Entry into force:	01.05.2004	Owner:	Secretariat General
Legal basis:	Organisation Regulations		
Replaces:	–		
Amended on:	Amended by:	Amendment valid from:	Section(s):
03.12.2004			
31.03.2006			
29.08.2008			
02.03.2012			
14.12.2012	Bank Council	01.01.2013	1, 2, 3, 4, 5
13.04.2018	Bank Council	01.05.2018	1, 2, 3, 4, 5, 6, 8