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## Private financial investments and financial transactions by SNB staff

### I. General provisions

#### 01. Purpose and subject

This Directive defines restrictions on private financial investments and financial transactions made by Swiss National Bank (SNB) staff.

Its purpose is to avoid the misuse of information not accessible to the public, as well as the appearance of any such misuse of information. The Directive thereby safeguards the SNB's good reputation, its integrity and standing, as well as the effectiveness of its monetary policy.

#### 02. Scope of application

This Directive shall apply to all staff who are in a permanent employment relationship (full-time, part-time or on an hourly basis), and to apprentices.

The Directive may, on a contractual basis, be declared fully or partially applicable to temporarily employed staff, to agents and other persons working for the SNB.

No third parties are subject to this Directive.

For persons subject to the Regulations on private financial investments and financial transactions by members of SNB management (Regulations 6.3), these Regulations alone shall apply.

### 03. Definitions

#### 03.1 Private financial investments and financial transactions

Private financial investments shall comprise the following:

- a. certificated and uncertificated securities (e.g. shares, bonds, participation certificates, fund units, derivatives, mortgages);
- b. precious metals and commodities (e.g. exchange-traded gold products, gold ingots, but not jewellery);
- c. time deposits and medium-term notes of financial intermediaries in Swiss francs and foreign currency.

Private financial transactions shall be defined as legal transactions which affect financial investments and which staff members conduct for their own account, or for the account of a third party, or based on a power of attorney, or via an account or a securities account of which they are among the beneficial owners (e.g. as part of a community of heirs or co-holders of a joint account).

Private financial investments and financial transactions shall also include those that are undertaken with the purpose of evading the provisions of this Directive, in particular by the engagement of a third party or use of a third-party account or securities account.

#### 03.2 Not publicly accessible information

Information that is not – or not yet – accessible to the public shall include, in particular, information about:

- the SNB's monetary policy intentions;
- the fulfilment of SNB tasks in accordance with art. 5 of the National Bank Act; and
- activities with an impact on the financial markets, or not publicly accessible information on other financial market participants or contractual partners which the SNB acquires in fulfilment of its statutory mandate.

#### 03.3 Staff members

In the context of this Directive, staff members shall mean all persons that come under the Directive's scope of application.

## II. Provisions for all staff members

#### 04. Prohibition on misuse of information

Staff members are prohibited from using not publicly accessible information to conduct, recommend, advise against or otherwise comment on private financial transactions.

## 05. Holding periods

Private financial investments must be held for at least 30 calendar days. The decisive factor regarding adherence to holding periods is the last movement in the position concerned (the principle of 'last in, first out' is applied for the calculation of the holding period).

There shall be no holding period for private financial investments that, based on subscription rights, have been accrued in connection with a capital increase, a stock split, or with conversion and option rights. Active trading with subscription rights is, however, subject to the holding period provision.

The rollover of an expiring futures contract into a longer-term contract (sale/purchase of the expiring contract and purchase/sale of the new futures contract on the same day) is not considered to be a transaction with regard to the holding period, as long as the position entered into (value of underlying asset) is not changed.

## 06. Prohibited private financial investments and financial transactions

The following shall be prohibited:

- a. purchasing, selling or holding shares, participation certificates or bonds of a systemically important Swiss bank  
(<http://iww/IDPRT/CMPLN/Documents/Merkblatt%20systemrelevante%20Banken.pdf>);  
(e.g. UBS shares or Credit Suisse bonds);
- b. purchasing, selling or holding derivatives or structured products whose underlying assets are shares, participation certificates or bonds of a systemically important Swiss bank (e.g. UBS options, but not Nestlé options issued by UBS);
- c. purchasing, selling and holding derivatives or structured products whose value is essentially determined by movements in exchange rates or interest rates (e.g. forward foreign exchange transactions in USDCHF or CONF Futures on Swiss government bonds).

Concluding forward mortgages is admissible, provided the principles of section 04 are complied with.

## 07. Foreign exchange transactions

Foreign exchange transactions against Swiss francs that serve a private investment purpose (e.g. purchasing a USD bond or depositing EUR in a foreign currency account for saving purposes, in both cases debited against a CHF account) are subject to notification and must be reported to Compliance in writing at least 24 hours before the planned transaction is executed. A holding period of at least 30 calendar days is to be observed.

Foreign exchange transactions against Swiss francs that are made for consumption purposes (e.g. for food, furnishings, vehicles, holidays, residential property, etc.) do not need to be reported.

Compliance is entitled to refuse any foreign exchange transaction for investment purposes without having to indicate a reason.

#### **08. Withdrawals**

Should staff be privy to information which is not – or not yet – publicly accessible relating to problems threatening the existence of a bank, they may only withdraw deposits from this bank, close accounts or securities accounts there or sell certificated or uncertificated securities of the bank if they have received prior approval from Compliance.

#### **09. Management of private financial investments by third parties**

If staff have their private financial investments managed by a third party based on a written agreement that does not allow the staff member concerned to take any single investment decision or otherwise exert influence on the investment decisions to be taken by the third party, the provisions of sections 05, 07 and 13 shall not apply within the scope of the said mandate. For the rest, the provisions of this Directive shall be applicable.

Should the asset management agreement outlined above be terminated, staff members must ensure, within three months, that their private financial investments comply with this Directive.

#### **10. Conduct when acceding to assets and when joining the SNB**

If through inheritance, as a gift or in any other manner, staff accede to assets which may be neither traded nor held under the provisions of this Directive, they must dispose of them within six months if they alone have the power of disposition over these assets. Otherwise, they must refer to Compliance to discuss further procedure (e.g. in the case of a community of heirs).

Staff taking up employment at the SNB must ensure that their private financial investments comply with this Directive within six months of starting in their new position.

#### **11. Ad hoc measures**

Compliance may apply to the Board of Deputies for additional restrictions on a temporary basis for all SNB staff members. Compliance shall inform the staff members and explain their obligations to them.

### **III. Insiders: Supplementary provisions for staff members with special functions**

#### **12. Determination of insiders**

The Board of Deputies shall determine the group of staff members with special functions who have access to information that is not – or not yet – accessible to the public, and shall specify additional restrictions with regard to private financial investments and financial transactions

for this group. Compliance shall inform the staff members in writing, and explain their obligations to them.

### **13. Additional restrictions for insiders**

#### **13.1 Staff members with monetary policy related functions**

As soon as staff members become involved in the preparation of a monetary policy decision, but at the very least within the period starting three weeks before a scheduled monetary policy decision and ending one day after the publication of the monetary policy decision (this period is hereinafter referred to as ‘black-out period’), staff members taking part in the preparation and/or making of the monetary policy decision shall be prohibited from initiating or carrying out any private financial investment transactions. This provision does not apply for payments into pension funds (incl. pillar 3a pension schemes).

Executing private financial transactions during the black-out period is, however, permitted if the transaction order was given before the start of the black-out period.

#### **13.2 Staff members with financial stability-related functions**

The following shall be prohibited for staff members with special functions in connection with measures to promote financial stability:

- a. purchasing, selling or holding shares, participation certificates or bonds of a Swiss bank pursuant to art. 3 of the Federal Act on Banks and Savings Banks;
- b. purchasing, selling or holding derivatives or structured products whose underlying assets are shares, participation certificates or bonds of a Swiss bank pursuant to art. 3 of the Federal Act on Banks and Savings Banks.

#### **13.3 Delegates for regional economic relations**

The following shall be prohibited for delegates for regional economic relations:

- a. purchasing, selling or holding shares, participation certificates or bonds of a Swiss company;
- b. purchasing, selling or holding derivatives or structured products whose underlying assets are shares, participation certificates or bonds of a Swiss company.

#### **13.4 Staff members with cash-related functions**

The following shall be prohibited for staff members with special functions in connection with banknotes: purchasing, selling or holding shares, participation certificates or bonds of a contractual partner (e.g. Orell Füssli) or a supplier (e.g. Fortress/Landqart, SICPA).

#### **IV. Supervision, monitoring and sanctions**

##### **14. Duty of confirmation**

When required to do so, all staff members shall confirm to Compliance once a year that they are aware of and comply with the contents of this Directive.

##### **15. Duty to keep documentation**

All staff members shall retain all the necessary documents for the current and previous calendar year that enable them to provide information about their private financial investments and financial transactions (incl. asset management mandates pursuant to section 09), as well as about foreign exchange transactions that are subject to reporting.

##### **16. Monitoring by Compliance**

Compliance shall monitor adherence to this Directive on a spot-check basis. At these spot-checks, the staff members concerned are asked questions in connection with the restrictions applying to their private financial investments and financial transactions pursuant to this Directive. Upon request, the staff members shall provide confirmation – over and above the general confirmation detailed in section 14 – of individual financial investments and financial transactions and also, upon request, submit related documentation.

In cases of justified suspicion that a staff member is misusing information, Compliance may demand information on his or her private financial investments and financial transactions at any time.

##### **17. Sanctions**

In the event of an infringement of the provisions of this Directive, the SNB shall be entitled to refuse performance of the staff member's own-account transaction in question, or to request that the position concerned be neutralised.

A grave infringement of the provisions of this Directive may give rise to employment-related consequences.

#### **V. Exceptions and transitional provisions**

##### **18. Exceptions**

Exceptions to the restrictions in this Directive may be granted by Compliance in justified individual cases. Compliance is entitled to refuse the granting of an exception without having to state a reason.

If an exception is granted, any changes in the underlying situation must be reported to Compliance without delay. Disposal over the financial investment affected by the exception is subject to prior consent by Compliance.

## 19. Transitional provisions

Any exceptions granted under an earlier version of this Directive remain valid as long as the underlying situation on which the granting of the exception was based does not change.

Provisions regarding adjustment periods based on earlier directives in view of attaining conformity with the present Directive (grandfathering) remain reserved.

<b>Issued by</b>	Board of Deputies	<b>Issued on</b>	3 April 2012
<b>Entry into force</b>	1 May 2012	<b>Owner</b>	Compliance
<b>Legal basis</b>	Sections 2.15, 8.2 General Terms of Employment; art. 321a Swiss Code of Obligations		
<b>Replaces</b>	Directive 184 of 1 January 2010: Own-account transactions with financial instruments Directive 185 of 23 January 2012: Directive on implementing emergency measures of 20 January 2012 in the area of own-account foreign exchange transactions		
<b>Amended on</b>	<b>Amended by</b>	<b>Amendment valid from</b>	<b>Section(s)</b>
1 September 2014	Board of Deputies	1 January 2015	Completely revised version