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Money market debt register claims of the Swiss Confederation – Issue conditions

The Swiss Confederation (issuer) issues tradable money market debt register claims by auction according to the following conditions and the conditions of a specific issue.

By submitting an offer in an auction, the participant declares that they agree to the following conditions and to the conditions set out for a specific issue.

Amount	Fixed at the issuer's discretion at the end of the subscription period.
Interest	Interest on money market debt register claims is payable on a discount basis. At maturity, the nominal amount less any withholding tax is repaid.
Issue price	Determined on the basis of the subscriptions received.
Denomination	CHF 50,000
Offers	<p><i>In general:</i> Money market debt register claims are offered for public subscription. Offers may be submitted to all banks in Switzerland and (subject to the restrictions listed below) to banks abroad which have the necessary infrastructure. Offers must be submitted to the Swiss National Bank (SNB), Zurich, as 'addressed offers' within the subscription period via the appropriate electronic trading platform. At the end of the subscription period, all participants are bound by their offers until allotment by the issuer.</p> <p><i>Content:</i> Price as a percentage of the nominal amount (basis: 100%, a maximum of three decimals after the point) and desired volume in Swiss francs. Multiple offers with different prices as well as offers without prices are permissible. Individual offers must amount to at least CHF 50,000. Offers can be altered or withdrawn within the subscription period.</p>
Withdrawal of issue	The issuer reserves the right to cancel the issue at any time during or after the subscription period and up to the period immediately before allotment.
Allotment	<p>Money market debt register claims are uniformly allotted at the lowest price accepted by the issuer to those subscribers who offered that or a higher price or those subscribers who submitted an unpriced offer. Offers that exceed the lowest price accepted by the issuer 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 at the issuer's discretion. Offers that fall short of the lowest price accepted by the issuer are not considered.</p> <p>The allotment by the issuer occurs after the subscription period has ended.</p>
Participation	All parties who have a sight deposit account with the SNB and who are authorised to participate in the appropriate electronic trading platform are eligible to take part in the auction.
Issue result	The issue result is disclosed on the relevant trading platform immediately after the allotment and later via Reuters (page: SWIV) and Bloomberg (page: SWIT).

Payment and default	The obligation to make full payment for the allotted money market debt register claims arises when they are allotted by the issuer. Payment for allotted money market debt register claims must be made on the date of payment. In the event of default, an interest of 5% is charged. If the interest rate for the SNB's liquidity-shortage financing facility (SNB policy rate plus 0.5%) is higher, this rate will be charged. Claims against the issuer are established by the payment of the allotted amounts in the individual issues.
Settlement	Payment is made on the basis of delivery versus payment via the participant's sight deposit account at the SNB.
Entry in register	<p>Money market debt register claims are entered in the money market register in denominations of CHF 50,000. The main register is kept by SIX SIS Ltd, Olten (SIS) on behalf of the issuer. SIS participants entered in the main register must keep subregisters for their own debt register claims and those of their customers. Every creditor is entered in the subregister of the participant through whom they acquired the debt register claims. The amount in the subregister must agree with the corresponding amount in the main register at all times. All parties entered in the subregisters qualify as creditors of the issuer.</p> <p>The issuer and the SNB are entitled to inspect the main register kept by SIS. They may instruct the statutory auditors of the respective bank or another statutory auditor to examine whether the subregisters are properly kept.</p>
Transferability	Money market debt register claims are transferable in denominations of CHF 50,000. Every creditor who has acquired debt register claims by subscription or purchase authorises – by way of subscription and/or purchasing order – the SIS participant who keeps the subregister to transfer the claims on his behalf in the event of a sale.
Sale restrictions	Sale restrictions apply especially to the United States of America and 'US persons', the European Economic Area and the United Kingdom (cf. below).
Redemption	Redemption is effected through SIS via Swiss Interbank Clearing (SIC) to the SIS participants entered in the main register. Foreign banks that are participants are credited without deduction of withholding tax only if they have provided the SNB with explicit confirmation that they are holding the money market debt register claims for their own account. If the legally valid confirmation is not delivered to the SNB (SWIFT MT299, or letter preceded by fax to SNB, WSAD, P.O. Box, CH-8022 Zurich) at least one working day (before 12.00 noon) prior to maturity, withholding tax will be deducted. Following receipt of the redemption proceeds, the banks credit the creditors entered in their subregister with the respective nominal amount, with the same value date, subject to deduction of any withholding tax.
Repurchase	The issuer has the right to repurchase money market debt register claims for its own investment, resale or redemption purposes at any time during their term. During the term of the money market debt register claims, creditors are not entitled to terminate them or sell them back to the issuer.
Federal stamp tax on transfer of securities	Money market debt register claims as defined in these issue conditions are exempt from this tax.
Withholding tax	The income is subject to withholding tax. Upon maturity of the money market debt register claims, withholding tax will be directly deducted by the issuer and transferred to the Swiss Federal tax authorities. The tax is not payable if, at the time of redemption, the money market debt register claims are due to a bank – as defined under Swiss or foreign banking legislation – for its own account.
Eligibility for SNB repos	Money market debt register claims are included on the list of collateral eligible for SNB repos (SNB GC Basket).
Applicable law / place of jurisdiction	Money market debt register claims are subject to Swiss law. The exclusive place of jurisdiction is Berne.

These issue conditions and the conditions relating to a specific issue of money market debt register claims are published on the SNB website. These documents can also be obtained free of charge from the SNB (Swiss National Bank, Secretariat General, P.O. Box, CH-8022 Zurich; e-mail: gs.zh@snb.ch).

Swiss Confederation

Berne, 3 July 2019

Offer, sale and transfer restrictions

The offer, sale and transfer of money market debt register claims as well as the distribution of these issue conditions in or from certain countries outside Switzerland may be subject to legal restrictions. Persons coming into possession of these issue conditions are required to inform themselves of and abide by the applicable legal restrictions. The issuer does not accept any responsibility or liability in relation to the distribution of these issue conditions and the offering of money market debt register claims in any country. No action has been or will be taken by the Federal Finance Administration which would permit a public offering of money market debt register claims in any country where such action for public offering of money market debt register claims is required. These issue conditions do not constitute an offer to sell money market debt register claims in countries in which such an offer is subject to legal restrictions.

United States of America

The money market debt register claims are not and will not be registered according to the (present version of the) US Securities Act of 1933 (Securities Act). Therefore the money market debt register claims may not, except in strictly limited exceptional cases and in accordance with the Securities Act, be offered, sold or transferred in the United States of America or to 'US Persons' (as defined in Regulation S of the Securities Act).

European Economic Area

These issue conditions have been drawn up on the basis that the offer of money market debt register claims in a member state of the European Economic Area which has implemented the EU Prospectus Directive (Relevant Member State) will take place only in the form of an exception from the obligation to draw up a prospectus, as envisaged in the Prospectus Directive and implemented in the Relevant Member State.

The issuer has not approved any offer of money market debt register claims under conditions in which the Confederation is obliged to publish a prospectus or prospectus supplement in line with the Prospectus Directive. Accordingly, persons making or intending to make an offer of money market debt register claims in a Relevant Member State may only do so under conditions in which no obligation exists for the issuer to publish a prospectus or a prospectus supplement relating to the offer of the money market debt register claims.

United Kingdom

In the United Kingdom, these issue conditions and the offer of money market debt register claims are directed only at (i) 'Investment Professionals' as defined in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order), and (ii) high net worth entities and other high net worth persons as defined in article 49(2)(a) to (d) of the Order (together: qualified persons). The money market debt register claims are available only to qualified persons. All requests, offers or agreements to purchase or otherwise obtain money market debt register claims must be made to/with qualified persons. Under no circumstances should non-qualified persons have any dealings in view of or in reliance on these issue conditions or their content.