

Communications

P.O. Box, CH-8022 Zurich
Telephone +41 44 631 31 11
communications@snb.ch

Berne/Zurich, 22 March 2011

Federal Department of Finance and Swiss National Bank sign MoU on selection of Bank Council members

The Federal Department of Finance (FDF) and the Swiss National Bank (SNB) signed a Memorandum of Understanding (MoU) on the set of principles governing membership of the SNB Bank Council. The Bank Council supervises and monitors the conduct of business by the SNB, in particular as regards compliance with the National Bank Act (NBA), as well as regulations and directives. It is made up of eleven members. Under the provisions of the NBA, six members are elected by the Swiss Federal Council and five by the SNB's General Meeting.

The aim of the MoU is to ensure that the specialised abilities and qualities that are important for the SNB are maintained in the Bank Council at all times. In order to achieve this, candidates for election to the Bank Council from both electoral bodies (Federal Council and SNB General Meeting) are to be proposed according to uniform principles. The election proposals will be coordinated by the FDF and the SNB.

Appendix:

Memorandum of Understanding

Memorandum of Understanding

between the

Federal Department of Finance (FDF)

and the

Swiss National Bank (SNB)

on the

**Set of principles governing membership
of the SNB Bank Council**

I. Preamble

The National Bank Act (NBA) total revision of 26 June 2002 included provisions on election to and membership requirements for the Bank Council. Of the eleven members, five are elected by the Shareholders' Meeting (General Meeting), while the Federal Council is responsible for electing the remaining six .

Irrespective of the electoral body, the minimal legal requirements for election to the Bank Council are identical for all members. Personalities with Swiss citizenship, an impeccable reputation and a recognised knowledge in the fields of banking and financial services, business administration, economic policy, or in an academic field can be elected as members of the Bank Council. They do not have to be shareholders. In addition, the different parts of the country and language regions should be adequately represented (art. 40 NBA).

The aim of this Memorandum of Understanding is to ensure that the specialised abilities and qualities that are important for the SNB are maintained in the Bank Council at all times. In order to achieve this, candidates for election to the Bank Council from both electoral bodies are to be proposed according to uniform principles, with coordination and consultation between the SNB and the FDF.

II. Set of principles governing membership of the Bank Council

Based on the requirements for election to the Bank Council and the tasks of the Bank Council and its committees, the SNB and the FDF agree on the following set of principles governing membership of the Bank Council:

1. Members of the Bank Council have an education in economics and corresponding research experience, a comprehensive understanding of how Swiss and foreign financial markets operate, broad experience of business management, recognised expertise in financial and economic policy or in-depth knowledge of either finance and accounting or commercial law.
2. The Bank Council is made up of personalities from business, the academic world and politics, with each of these areas contributing approximately one-third of its membership.
3. The business representatives come from different industries. Banking must be represented. They hold leading positions in their companies, have recognised knowledge of the industry to which they belong and are exceptionally well informed about general economic developments through their network of contacts. In addition, they are very well versed in economic and financial policy issues.
4. The representatives of the academic world have comprehensive and academically recognised expertise in the fields of economics, finance, law or accounting. They hold the position of professor at a university or university of applied sciences.
5. The representatives of the political world bear responsibility at cantonal level or have recognised, in-depth knowledge and experience in the financial and economic policy of the Confederation. In general, they head a cantonal department of finance or economics.
6. Among its members, the Bank Council has the knowledge and experience needed to ensure the best possible membership for its committees.
7. To ensure adequate representation of the different parts of the country and language regions, at least three representatives must come from the areas in which a Romance language is spoken. In addition, the aim is to achieve an appropriate representation of both genders in the Bank Council.
8. Members of the Bank Council display the following characteristics: they are very interested in SNB affairs and are prepared to commit themselves in the interests of SNB issues.
9. Membership of a party is not a prerequisite for membership in the Bank Council and thus – *a priori* – not a criterion. However, as far as possible and necessary, attention is given to a balanced membership in terms of party membership.
10. As important and representative as they are, interest groups have no claim to a seat in the Bank Council.

III. Coordination of election proposals

The SNB and the FDF regularly discuss qualities and specialised abilities that need to be supplemented in the Bank Council and which should be given priority, where possible. In this connection, they also discuss which of these require greater attention than others in terms of overall representation. At the latest, these discussions are held prior to the first election or re-election of Bank Council members.

Before the SNB submits an election proposal to the General Meeting, or the FDF a similar proposal to the Federal Council, the FDF and the SNB present the possible candidates to one another.

IV. Information about resignations

If a member of the Bank Council intends to submit his or her resignation, they must do so to the President of the Bank Council (art. 41 NBA).

The SNB informs the FDF immediately about resignations of Bank Council members who were elected by the Federal Council and who must be replaced by the latter.

Berne,

Federal Department of Finance

Eveline Widmer-Schlumpf

Berne,

Swiss National Bank

Hansueli Raggenbass

Philipp Hildebrand