FDF and SNB enter into new profit distribution agreement

The Federal Department of Finance (FDF) and the Swiss National Bank (SNB) have signed a new agreement regarding the SNB’s profit distribution for 2016 to 2020. Subject to a positive distribution reserve, the SNB will in future pay CHF 1 billion p.a. to the Confederation and cantons, as was previously the case. In future, however, omitted distributions will be compensated for in subsequent years if the distribution reserve allows this.

The new agreement governs the SNB’s profit distributions for the financial years 2016 to 2020. Under this agreement, a profit distribution will generally be paid to the Confederation and cantons if the distribution reserve is in positive territory.

Like in the past, the distribution amount is set at CHF 1 billion. If the distribution reserve allows it, omitted or reduced profit distributions will now be made up in subsequent years. Likewise, the distribution amount will be raised to a maximum of CHF 2 billion if the distribution reserve exceeds CHF 20 billion.

Under the National Bank Act, the SNB is obliged to form provisions from its annual surplus in order to maintain the currency reserves at the level required for monetary policy. The profit remaining after allocating funds to provisions is, in principle, available for distribution to the Confederation and cantons. To ensure that the distribution flows are smoothed in the medium term, the FDF and the SNB always set out the key elements in an agreement that covers several years.

The cantons were informed in advance about the new agreement.

The profit distribution agreement and associated notes can be found on the SNB’s website (www.snb.ch).