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Money Market and Foreign Exchange
HG
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Safekeeping of foreign currency securities from the European Union for repo transactions in Swiss francs with the Swiss National Bank

Dear Sir / Madam

The Swiss National Bank (SNB) and SIS SegInterSettle AG (SIS) have come to a basic agreement concerning the processing and safekeeping of foreign currency securities from countries of the European Union (EU) for repo transactions with the SNB. Subject to certain conditions, SIS is authorised to use central securities depositories, international central securities depositories and central banks having their registered office in the EU as depositories. Since interbank trading will also avail itself of this network of depositories, every new depository admitted must at the same time meet market needs and guarantee efficient and reliable processing.

This basic decision is an important precondition, on the one hand, for expanding collateral acceptable for repo transactions and, on the other hand, for promoting the integration of the internationally active banks in the euro area into Swiss franc repo business. This should further enhance the attractiveness of the Swiss franc repo interbank market.

Aside from the existing connections with Clearstream Frankfurt and the Oesterreichische Kontrollbank, it will be possible with immediate effect to use Euroclear Belgium and Clearstream Luxemburg for deliveries of collateral to SIS. You will find the terms and conditions as well as the technical instructions in the directives of SIS.

Yours sincerely,
Banque nationale suisse

Erich Spörndli

Karl Hug