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Money Market

Discontinuation of repo transactions with a fixed repo rate in liquidity-absorbing repo auctions

Dear Sir/Madam

In March 2022, the Swiss National Bank introduced the possibility of having the repo rate on its repo transactions indexed to the SNB policy rate.¹ Since 28 November 2022, the SNB has been using this instrument in its liquidity-absorbing repo auctions, alongside repo transactions with a fixed repo rate.²

The SNB will discontinue liquidity-absorbing repo auctions with a fixed repo rate at the latest by the end of Q1 2023. Against this backdrop, the frequency of these repo auctions will be reduced. From Q2 2023, the SNB will exclusively offer liquidity-absorbing repo auctions with repo transactions indexed to the SNB policy rate. Repo transactions with a fixed repo rate will remain one of the SNB's monetary policy instruments.

Market participants who have not yet ensured operational readiness for repo transactions indexed to the SNB policy rate are requested to take the necessary measures without delay.

¹ Cf. circular on repo transactions indexed to the SNB policy rate:
https://www.snb.ch/en/mmr/reference/repo_rund_20220329/source/repo_rund_20220329.en.pdf

² Cf. circular on use of repo transactions indexed to the SNB policy rate:
https://www.snb.ch/en/mmr/reference/repo_rund_20221124/source/repo_rund_20221124.en.pdf

Please do not hesitate to contact us if you have any questions.

Yours sincerely
Swiss National Bank

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