

Department III

Zurich, 22 September 2022

**This is an English translation of a German original.
Only the German original text is authoritative and legally
binding.**

Instruction sheet governing interest on sight deposits

1. General

Pursuant to section 2.2.1 of its Terms of Business, the Swiss National Bank (SNB) applies an interest rate to sight deposit account balances ('sight deposits'). This instruction sheet defines the modalities for this remuneration.

2. Scope of application

This instruction sheet applies when the SNB policy rate is positive. The remuneration applies to sight deposits in Swiss francs. This instruction sheet does not apply to the sight deposits of the central Federal Administration.

3. Remuneration

Sight deposits are subject to tiered remuneration. Sight deposits up to a certain threshold (pursuant to the provisions below and section 4) are remunerated at the SNB policy rate. Sight deposits above this threshold are remunerated at the SNB policy rate minus a discount.

The applicable interest rates are available at www.snb.ch, [All rates](#). Rate changes will be announced by the SNB. Unless otherwise specified, a change in the interest rate will apply from the first bank working day after the announcement.

The interest is calculated on a daily basis according to the Actual/360 convention customary in the money market. It is credited at the end of each month for the interest period of the previous month (cf. section 5).

4. Threshold

The threshold applies to each individual sight deposit account holder. Should a sight deposit account holder, in exceptional circumstances, hold more than one sight deposit account at the SNB, the threshold only applies once to the aggregate balance of all relevant accounts.

There are two methods for determining the threshold:

Method 1: Minimum reserve¹-based threshold

For sight deposit account holders subject to minimum reserve requirements (domestic banks²): The threshold corresponds to the moving average of the minimum reserve requirements over the preceding 36 reference periods (RPs), multiplied by the applicable threshold factor. The last RP, i.e. RP 36, is the RP that starts on the 20th calendar day three months before the beginning of the respective interest period.³

The applicable threshold factor is available at www.snb.ch, [All rates](#). Changes in the factor will be announced by the SNB. Unless otherwise specified, a change in the factor will apply as of the beginning of the subsequent interest period.

Method 2: Fixed threshold

For all other sight deposit account holders not mentioned under Method 1: the SNB sets fixed thresholds. These are in principle set at CHF 0.

5. Calculation, credit and notification

The interest is calculated on a daily basis and credited to the sight deposit account on the last value date of each month (reference date) for the interest period of the previous month. If the sight deposit account holder has more than one sight deposit account, the SNB decides to which of those accounts the interest payment is to be credited (main account). For participants in the Swiss Interbank Clearing system (SIC system), the credit of the interest to the sight deposit account is automatically transferred to the settlement account in the SIC system at end of day.

On the reference date, the sight deposit account holder is notified that the interest has been credited as follows: account statement via SWIFT (MT950) or physical statement for the main account plus a separate credit notice via SWIFT (MT900), or physical notice. In addition, the sight deposit account holder will receive a physical interest calculation statement.

¹ Minimum reserves as defined by the National Bank Ordinance (arts. 12–17 NBO).

² Banks as defined by the Federal Act on Banks and Savings Banks.

³ For example, the last RP for the November interest period is the RP from 20 August to 19 September.

6. New incorporations, changes to legal structures and transformations

In the case of new incorporations, changes to legal structures and transformations (mergers, demergers or transfers of assets), for sight deposit account holders whose threshold is calculated according to Method 1, the principles set out below shall apply when determining the minimum reserve positions for the threshold calculation. These positions are used to calculate the threshold for all interest periods which follow a new incorporation, change to legal structure or transformation and are relevant for calculating the threshold.

New incorporations

For the RPs preceding the incorporation, the values of the positions of the first minimum reserve report following incorporation that are relevant for the calculation of the threshold are applied retroactively to the RPs preceding the incorporation.

Mergers

For the RPs preceding the merger, the values of the positions of the minimum reserve report of each bank involved that are relevant for the calculation of the threshold are aggregated.

Demergers

For the RPs preceding the demerger, the values of the positions of the minimum reserve report of the banks involved that are relevant for the calculation of the threshold are divided proportionately. The proportionate allocation for the threshold is made using the ratio of the first minimum reserve requirement values reported by each bank involved following the demerger.

Transfers of assets

Transfers of assets as per the Merger Act or Code of Obligations which result in a change in the minimum reserve requirements may be taken into account by the SNB in calculating the threshold. In all cases, this requires a joint written application from the banks involved. In addition, any adjustment must always be made for both banks.