

Berne, 6 April 2016  
Fritz Zurbrügg

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### Introductory remarks by Fritz Zurbrügg

Good morning, ladies and gentlemen

I would also like to welcome you to our press conference.

As the short film at the beginning of the news conference demonstrated, the new banknote is more than an artfully decorated piece of paper; it is a complex product in which an array of elements have been carefully woven together to form a whole.

The Swiss National Bank is committed to putting banknotes into circulation that are aesthetically and technologically state of the art. One of the primary goals when developing a new banknote series is to improve anti-counterfeiting measures in order to stay ahead of advances in reproduction technology. At the same time, the notes must meet the public's needs – that is to say, they must be easy to handle, durable and visually distinctive. Furthermore, the SNB must ensure that the notes can be readily identified as genuine by the public, that their life cycle is as long as possible, and that they are machine-sortable and suitable for long-term mass production.

In order to fulfil these demanding criteria, the SNB decided to pursue an innovation-centred strategy with the new notes, as it had done with previous series. We have used a novel substrate in the new banknote series and have also developed various new security features in conjunction with our industrial partners. Our insistence on innovation and excellence is certainly one reason why the development process took longer than anticipated. However, the exceptional quality of the end product leaves me in no doubt that it was worth the additional effort. We are thus particularly proud to present the new note to you today – it is a fascinating symbiosis of aesthetics and sophisticated technology.

The security concept at the heart of the new banknotes is unique, due not only to the security features themselves, but to the way in which they combine and mesh with the design. Some of the security features in the new series have already proved their worth in the current

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banknotes; others have been newly developed with our partners and are among the most advanced in the world.

As I mentioned, the substrate is a special element in the new notes. The SNB decided early in the proceedings not to use regular security paper, but to develop the Durasafe® substrate in collaboration with our industrial partner, Landqart. The result – a three-layer banknote substrate consisting of two outer layers of cotton paper and a polymer core for reinforcement – offers greater stability and durability than traditional banknote papers. The surface nevertheless has all the qualities of traditional banknote paper. Transparent elements, or windows, can be created in a note by cutting away both paper layers. These transparent elements form part of the security concept. In addition to the special substrate, the production of banknotes requires special security inks. Like the notes themselves, these have to be resistant to a wide range of chemicals and must be able to withstand various external factors they may encounter in everyday use. As with earlier series, the notes are printed and processed by Orell Füssli Security Printing Ltd. They go through numerous production steps including several printing, application and perforation procedures. Further details about the production process can be found on our website.

The production costs differ depending on the dimensions and batch size of the note in question, but the average cost per note for the new series is around 40 centimes. The cost per note is thus about 10 centimes higher than it was for the eighth banknote series, but we are working on the assumption that the life cycle of the notes will be longer, not least due to the substrate's more robust mechanical properties. Obviously, we will only be able to make an informed assessment once the first notes to be issued have completed one full life cycle.

The 50-franc note will be followed by the five other denominations. The 20-franc note, which is already in production, will enter circulation in approximately one year's time. The remaining denominations will be issued subsequently at half-yearly or yearly intervals. The 10-franc note will be followed by the 200-franc, then the 1000-franc note. The last to be issued will be the 100-franc note, in 2019. As with the banknotes currently in circulation, the new series will consist of six denominations. The colour scheme, too, will remain largely unchanged. What will change, however, is the format of the notes. As announced back in 2005, the new banknotes will be smaller than today's. An analysis at the beginning of the development phase showed that it would make sense to reduce both the length and width of the notes, as this would improve both production efficiency and handling.

As you can imagine, when new banknotes are issued, ATMs and other cash-processing equipment have to be recalibrated. We involved national – and the largest international – manufacturers of these systems early on in our planning. We are confident that the transition to the new note will be seamless and that the public will not encounter any problems when withdrawing or paying in cash at ATMs.

From next Tuesday, 12 April, only the new 50-franc notes will be issued at the SNB's cash distribution services in Berne and Zurich, as well as its agencies at the head offices of 14 cantonal banks. The new notes will be available at ATMs and at bank and Swiss Post counters

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a few days later. The old notes will remain legal tender until further notice and may be used without restriction. For a time, both the new and the old 50-franc note will therefore circulate in parallel. Old notes returned to the SNB will be retained and destroyed on an ongoing basis. During the last transition to a new series, it took around half a year to replace two-thirds of all old notes; we expect a similar timeframe for this series.

The SNB will only recall the notes from the current series after the last denomination of the new series has been issued, at which point, the eighth series will cease to be legal tender. During the last switchover to a new series, about 18 months elapsed between these two events. But even after this, the SNB will be legally obliged to exchange the eighth-series notes currently in circulation at face value for a period of 20 years after the recall. All the same, we recommend you use the old notes to make payments when you have the chance – and, of course, we would encourage you then to move over to the new notes. We trust they will meet with your approval!