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Zurich, 3 December 2019

Amendment of National Bank Ordinance

Changes due to entry into force of FinSA/FinIA and adjustments to minimum reserve requirements

The Swiss National Bank is amending the National Bank Ordinance (NBO). Various terms used in the NBO will be revised in connection with the entry into force of the Financial Services Act (FinSA) and the Financial Institutions Act (FinIA) as of 1 January 2020. Moreover, technical adjustments will be made to the statistical surveys in the Annex to the NBO. And finally, two positions will no longer be counted towards the calculation of the minimum reserves.

The National Bank Act requires banks to keep minimum reserves in order to facilitate the smooth functioning of the money market. The NBO sets out in detail which balance sheet positions are subject to minimum reserve requirements. The SNB reviewed the NBO when adjusting the basis for calculating the negative interest on sight deposits held at the SNB. Repo transactions with non-banks will no longer be subject to minimum reserve requirements; previously only repo transactions with banks were exempted. With this adjustment, the SNB is taking account of the growing importance of non-banks in the Swiss franc repo market and ensuring that the different kinds of repo transactions are treated equally. Besides repo transactions, securities lending transactions will also no longer be counted towards the calculation of minimum reserves as they are very similar to repo transactions in terms of their economic effect.

The amended NBO will enter into force on 1 January 2020.