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Federal Act on the Swiss National Bank (National Bank Act, NBA)

of 3 October 2003 (Status as at 1 January 2016)

The Federal Assembly of the Swiss Confederation,

based on Articles 99, 100 and 123 of the Federal Constitution¹,
and having examined the Dispatch of the Federal Council dated 26 June 2002²,
resolves:

Chapter 1 General Provisions

Art. 1 Legal status and name

¹ The central bank of the Swiss Confederation is a joint-stock company incorporated by special act.

² It shall bear the names:

«Schweizerische Nationalbank»

«Banque nationale suisse»

«Banca nazionale svizzera»

«Banca naziunala svizra»

«Swiss National Bank».

Art. 2 Subsidiary application of the Code of Obligations

Unless otherwise provided by this Act, the provisions of the Code of Obligations (CO)³ relating to joint-stock companies apply.

Art. 3 Head offices, branches, agencies and representative offices

¹ The National Bank shall have its head offices in Berne and Zurich.

AS **2004** 1985

¹ SR **101**

² BBI **2002** 6097

³ SR **220**

² To the extent required by the country's supply of money, the National Bank shall maintain branches and agencies.

³ It may set up representative offices for observing the economy and for maintaining relations in the regions.

Art. 4 Exclusive right to issue banknotes

The National Bank shall have the exclusive right to issue Swiss banknotes.

Art. 5 Tasks

¹ The National Bank shall pursue a monetary policy serving the interests of the country as a whole. It shall ensure price stability. In so doing, it shall take due account of economic developments.

² Within this framework, it shall have the following tasks:

- a. It shall provide the Swiss franc money market with liquidity.
- b. It shall ensure the supply and distribution of cash.
- c. It shall facilitate and secure the operation of cashless payment systems.
- d. It shall manage the currency reserves.
- e. It shall contribute to the stability of the financial system.

³ It shall participate in international monetary cooperation. For this purpose, it shall work jointly with the Federal Council in accordance with the relevant federal legislation.

⁴ It shall provide banking services to the Confederation. In so doing, it shall act on behalf of the competent federal authorities.

Art. 6 Independence

In fulfilling its monetary tasks according to Article 5 paragraphs 1 and 2, the National Bank and the members of the Bank's bodies shall not be permitted to seek or accept instructions either from the Federal Council or from the Federal Assembly or any other body.

Art. 7 Accountability and information

¹ The National Bank shall regularly discuss with the Federal Council the economic situation, monetary policy and topical issues of federal economic policy. The Federal Council and the National Bank shall inform each other of their intentions before taking decisions of major importance for economic and monetary policy. The National Bank's annual report and annual accounts shall be submitted to the Federal Council for approval before being approved by the General Meeting of Shareholders.

² The National Bank shall render account of the fulfilment of its tasks pursuant to Article 5 to the Federal Assembly annually in the form of a report. It shall regularly

report on the economic situation as well as its monetary policy to the competent committees of the Federal Assembly.

³ It shall regularly inform the public about its monetary policy and shall announce its monetary policy intentions.

⁴ It shall publish its annual report. Furthermore, it shall publish quarterly reports on the development of the real economy and the monetary situation; it shall also publish data relevant to monetary policy on a weekly basis.

Art. 8 Exemption from taxation

¹ The National Bank shall be exempt from direct federal taxes.

² The National Bank shall not be subject to taxation by the cantons. Cantonal and communal fees shall remain reserved.

Chapter 2 Scope of Business

Art. 9 Transactions with financial market participants

¹ In performing its monetary tasks pursuant to Article 5 paragraphs 1 and 2, the National Bank may:

- a. maintain interest-bearing and non-interest-bearing accounts for banks and other financial market participants, and take assets into custody;
- b. open accounts with banks and other financial market participants;
- c. buy and sell, in the financial markets, Swiss franc or foreign currency denominated receivables and securities as well as precious metals and claims on precious metals (spot or forward) or enter into lending operations therewith;
- d. issue and repurchase interest-bearing bonds of its own (spot and forward) as well as create derivatives on receivables, securities and precious metals according to letter c;
- e. enter into credit transactions with banks and other financial market participants on condition that sufficient collateral is provided for the loans;
- f. hold and manage the assets designated in this Article.

² It shall lay down the general terms and conditions for transactions in accordance with paragraph 1.

Art. 10 Transactions with other central banks and international organisations

The National Bank may enter into relations with foreign central banks and international organisations and effect with them any form of banking transaction, including raising and granting credits in Swiss francs, foreign currencies and international payment instruments.

Art. 11 Transactions on behalf of the Confederation

¹ The National Bank may provide banking services to the Confederation. These shall be provided for an adequate consideration. However, the services shall be provided free of charge if they facilitate the implementation of monetary policy. The details shall be laid down in agreements concluded between the respective federal offices and the National Bank.

² The National Bank may not grant the Confederation loans or overdraft facilities; nor shall it be permitted to buy government bonds from new issues. It may permit intraday account overdrafts against sufficient collateral.

Art. 12 Participations and membership rights

To the extent necessary for performing its tasks, the National Bank may participate in the capital of companies and other legal entities and acquire membership rights in such companies and entities.

Art. 13 Transactions for its own operation

In addition to transactions related to its statutory tasks, the National Bank may enter into transactions serving its own operation as well as effecting banking transactions for its staff and its pension fund.

Chapter 3 Monetary Policy Powers**Section 1 Statistics****Art. 14** Collection of statistical data

¹ For the purpose of fulfilling its statutory tasks and observing developments in the financial markets, the National Bank shall collect the necessary statistical data.

² In collecting statistical data, it shall cooperate with the competent federal offices, in particular with the Swiss Federal Statistical Office and the Swiss Financial Market Supervisory Authority (FINMA), the competent authorities of foreign countries and with international organisations.⁴

Art. 15 Duty to provide information

¹ Banks, financial market infrastructures, securities dealers as well authorised parties in accordance with Article 13 paragraph 2 of the Collective Investment Schemes Act of 23 June 2006⁵ must provide the National Bank with statistical data relating to their activities.⁶

⁴ Amended by Annex No. 13 of the Financial Market Supervision Act of 22 June 2007, in force since 1 Jan. 2009 (AS 2008 5207 5205; BBI 2006 2829).

⁵ SR 951.31

⁶ Amended by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS 2015 5339; BBI 2014 7483).

² To the extent necessary for an analysis of financial market developments, for an overview of payment transactions, for drawing up the balance of payments or for statistics on foreign assets, the National Bank may collect statistical data on the business activities from other natural persons or legal entities, including entities for the issuing of payment instruments or for the processing, clearing and settlement of payment transactions, insurance companies, occupational pension institutions and investment and holding companies.⁷

³ The National Bank shall lay down in an ordinance what data are to be provided and with what frequency; furthermore, it shall lay down the organisation and procedure after having consulted the reporting institutions.

Art. 16 Confidentiality

¹ The National Bank must maintain confidentiality with respect to the data collected.

² It shall publish the data collected in the form of statistics. For purposes of confidentiality, the data shall be aggregated.

³ The National Bank may communicate the data collected in aggregated form to the authorities and organisations listed in Article 14 paragraph 2.

⁴ The National Bank may exchange the data collected with the competent supervisory authorities of the Swiss financial market.

⁵ In other respects, the Federal Act of 19 June 1992⁸ on Data Protection applies.

Section 1a⁹ Stability of the Financial System

Art. 16a

¹ Financial market participants are obliged, upon request, to provide all necessary information and surrender any documents to the National Bank which the latter requires to fulfil its task in accordance with Article 5 paragraph 2 letter e. In particular, they must provide information on their:

- a. assessment of market developments and identification of relevant risk factors;
- b. exposure to risk factors to be determined by the National Bank;
- c. resilience to disruptions affecting the stability of the financial system.

² The National Bank shall inform FINMA about its intention to request information and documents. It shall refrain from procuring information and documents if the information is already available elsewhere or can easily be obtained, namely from FINMA.

⁷ Amended by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS 2015 5339; BBl 2014 7483).

⁸ SR 235.1

⁹ Inserted by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS 2015 5339; BBl 2014 7483).

³ It shall inform the affected financial market participants about:

- a. the purpose of the procurement of the information;
- b. the type and scope of the information and documents requested;
- c. the envisaged use of the information and documents.

⁴ It shall inform FINMA about the outcome of its information procurement.

Section 2 Minimum Reserves

Art. 17 Purpose and scope of application

¹ In order to facilitate the smooth functioning of the money market, the banks shall hold minimum reserves.

² The National Bank may issue an ordinance to subject issuers of electronic money and other issuers of payment instruments to the minimum reserve requirement if their activities threaten to substantially interfere with the implementation of monetary policy.

Art. 18 Features

¹ The National Bank shall fix the rate for minimum reserves which the banks must hold on average for a specific period of time. Minimum reserves shall consist of Swiss franc denominated coins, banknotes and sight deposit accounts which the banks hold with the National Bank.

² The rate for minimum reserves shall not exceed four percent of the banks' short-term liabilities denominated in Swiss francs. Short-term liabilities are deemed to be sight liabilities and liabilities with a residual maturity not exceeding three months as well as liabilities arising from customer deposits that are repayable on demand (excluding tied-up pension fund monies). To the extent permitted by the purpose of this Act, individual categories of liabilities can be partially or fully exempt from the reserve requirement.¹⁰

³ The National Bank shall apply the provisions on minimum reserves *mutatis mutandis* to banking groups with collective liquidity management. It may request groups of banks to hold minimum reserves on a consolidated basis.

⁴ The banks shall regularly provide evidence to the National Bank that they are holding the required level of minimum reserves.

⁵ The National Bank shall lay down the details in an ordinance after having consulted the competent supervisory authority for the Swiss financial market.

¹⁰ Amended by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS 2015 5339; BBl 2014 7483).

Section 3¹¹ Oversight of Systemically Important Financial Market Infrastructures

Art. 19 Principle

¹ In order to protect the stability of the financial system, the National Bank shall oversee systemically important central counterparties, central securities depositories and payment systems in accordance with Article 22 (systemically important financial market infrastructures) of the Financial Market Infrastructure Act of 19 June 2015¹² (FMIA).

² The oversight shall also extend to systemically important financial market infrastructures domiciled abroad if these:

- a. have substantial parts of their operation or leading participants in Switzerland; or
- b. clear or settle significant transaction volumes in Swiss francs.

Art. 20 Modalities and instruments

¹ Central counterparties, central securities depositories and payment systems shall provide the National Bank, upon request, with all of the information and documents it requires to identify risks for the stability of the financial system at an early stage and to assess systemic importance.

² Systemically important financial market infrastructures and their audit firms must give the National Bank all of the information and documents it requires to fulfil its tasks. Moreover, they must immediately notify the National Bank of all incidents that are of substantial importance for oversight.

³ In the case of systemically important financial market infrastructures, the National Bank may carry out audits directly or have them conducted by audit firms mandated by financial market infrastructures in accordance with Article 84 FMIA¹³.

⁴ If an audit firm is appointed, the financial market infrastructure must provide it with all of the information it requires to fulfil its tasks.

⁵ The National Bank shall set out the details in an ordinance.

Art. 21 Cooperation with foreign authorities

¹ For the purpose of overseeing systemically important financial market infrastructures, the National Bank may:

- a. cooperate with foreign supervisory or oversight authorities and request information from them;

¹¹ Amended by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS 2015 5339; BBl 2014 7483).

¹² SR 958.1

¹³ SR 958.1

- b. transmit non-public information regarding systemically important financial market infrastructures to foreign supervisory or oversight authorities, provided that these authorities:
 1. use such information exclusively for directly supervising or overseeing such financial market infrastructures or their participants, and
 2. are bound by official or professional secrecy.

Section 4 Review and Sanctions

Art. 22 Review of compliance with the duties to provide information and to hold minimum reserves

¹ When auditing in accordance with Article 24 of the Financial Market Supervision Act of 22 June 2007¹⁴ (FINMASA), the audit firms shall examine compliance with the duty to provide information and, in the case of banks, the duty to hold minimum reserves. They shall set out their findings in the audit report. They shall notify the National Bank and the competent supervisory authority whenever they ascertain any violation, in particular if incorrect information has been provided or if the duty to hold minimum reserves has been breached.¹⁵

² The National Bank may itself review, or may have auditors review, whether the duty to provide information and the duty to hold minimum reserves have been duly observed. Should any violation of these provisions be ascertained, the party required to provide information or to hold minimum reserves shall bear the costs of the review.

³ The National Bank shall file a complaint with the Federal Department of Finance (the Department) if the duty to provide information or the duty to hold minimum reserves has been breached, or if a review ordered or carried out by the National Bank has been obstructed.

Art. 23 Administrative sanctions

¹ Any bank that fails to hold the required amount of minimum reserves must pay the National Bank interest on the shortfall for the period during which the required minimum reserve ratio has not been observed. The National Bank shall set the relevant interest rate, which may be up to five percentage points above the money market rate for interbank credits for the same period.

² If the National Bank notices that a systemically important financial market infrastructure does not comply with the special requirements in accordance with Article 23 FMIA¹⁶, it shall bring this to the attention of FINMA as well as the other compe-

¹⁴ SR 956.1

¹⁵ Amended by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS 2015 5339; BBl 2014 7483).

¹⁶ SR 958.1

tent Swiss or foreign supervisory or oversight authorities. It shall observe the conditions set out in Article 21 letter b of this Act in doing so.¹⁷

³ Furthermore, the National Bank may:

- a. refuse to open a sight deposit account for the financial market infrastructure, or terminate an existing sight deposit account;
- b. in the event of a refusal to comply with an enforceable order, publish this order in the Swiss Official Gazette of Commerce («Schweizerisches Handelsamtsblatt») or bring it to the attention of the public in any other manner, provided such measure has been preceded by a warning.¹⁸

Art. 24 Criminal provisions

¹ Any person who wilfully:

- a. fails to provide the National Bank with the information or the evidence required under Chapter 3 of this Act, or fails to comply with formal requirements, or provides incomplete or inaccurate information or evidence;
- b. prevents a review ordered or carried out by the National Bank;

shall be liable to a fine not exceeding 200,000 Swiss francs.¹⁹

² If the offending party acts through negligence, the penalty shall be a fine not exceeding 100,000 Swiss francs.

³ The Department shall prosecute and adjudicate such offences in accordance with the provisions of the Federal Act of 22 March 1974²⁰ on Administrative Criminal Law.

^{3bis} The ascertainment of the criminally liable persons may be dispensed with and instead the business operation may be ordered to pay the fine (Art. 7 of the Administrative Criminal Law Act of 22 March 1974) where:

- a. the ascertainment of the persons who are criminally liable under Article 6 of the Administrative Criminal Law Act of 22 March 1974 requires investigative measures that are disproportionate in comparison with the penalty incurred; and
- b. a fine of a maximum of CHF 50,000 is under consideration for the violations of the criminal provisions of this Act or the financial market acts in accordance with Article 1 FINMASA^{21,22}

⁴ The right to prosecute offences is subject to a seven-year prescriptive period.²³

¹⁷ Amended by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS **2015** 5339; BBl **2014** 7483).

¹⁸ Inserted by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS **2015** 5339; BBl **2014** 7483).

¹⁹ Amended by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS **2015** 5339; BBl **2014** 7483).

²⁰ SR **313.0**

²¹ SR **956.1**

²² Inserted by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS **2015** 5339; BBl **2014** 7483).

Chapter 4 Company Law Provisions

Section 1 Structure of the Joint-Stock Company

Art. 25 Share capital, shares

¹ The share capital of the National Bank amounts to 25 million Swiss francs. It is divided into 100,000 registered shares with a nominal value of 250 Swiss francs each. The shares are fully paid up.

² In lieu of individual shares the National Bank may issue certificates covering several shares. In addition, it may dispense with the printing and the delivery of share certificates. The Bank Council shall regulate the details.

Art. 26 Share register, limitation of transferability

¹ The National Bank shall recognise as shareholders only persons who are listed in the share register. The Bank Council shall regulate the details of the registration.

² A shareholder's registration is limited to a maximum of 100 shares. This limitation shall not apply to Swiss public-law corporations and institutions or to cantonal banks pursuant to Article 3a of the Federal Act of 8 November 1934²⁴ on Banks and Savings Banks.

³ Registration shall be refused if the transferee, contrary to a request by the National Bank, does not explicitly declare that he or she has purchased and is holding the shares in his or her own name and for his or her own account.

Art. 27²⁵ Listing rules

If the shares of the National Bank are listed on a Swiss stock exchange, the competent bodies shall take account of the special nature of the National Bank when applying the listing rules, in particular the provisions on the content and the frequency of financial reporting and those on ad hoc publicity.

Art. 28 Notifications

The invitation to the General Meeting of Shareholders and notifications to shareholders shall be communicated by letter to the addresses listed in the share register and by a one-off publication in the Swiss Official Gazette of Commerce.

²³ Amended by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS 2015 5339; BBl 2014 7483).

²⁴ SR 952.0

²⁵ Amended by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS 2015 5339; BBl 2014 7483).

Section 2 Determination and Distribution of Profits

Art. 29²⁶ Annual accounts

The annual accounts of the National Bank, consisting of the income statement, the balance sheet and the notes to the accounts, shall generally be drawn up in accordance with the provisions of title thirty-two of the CO²⁷ on commercial accounting and financial reporting. Derogations may be made from the provisions of the CO to the extent required by the special nature of the National Bank. In particular, the National Bank does not have to prepare a cash flow statement.

Art. 30 Determination of profits

¹ The National Bank shall set up provisions permitting it to maintain the currency reserves at a level necessary for monetary policy. In so doing, it shall take into account the development of the Swiss economy.

² The remaining earnings are deemed to be distributable profit.

Art. 31 Distribution of profits

¹ A dividend not exceeding six percent of the share capital shall be paid from the net profit.

² One-third of any net profit remaining after the distribution of a dividend shall accrue to the Confederation and two-thirds to the cantons. The Department and the National Bank shall, for a specified period of time, agree on the amount of the annual profit distribution with the aim of smoothing these distributions in the medium term. The cantons shall be informed in advance.

³ The net profit accruing to the cantons shall be distributed in proportion to their resident population. The Federal Council shall regulate the details after having consulted the cantons.²⁸

Art. 32 Liquidation

¹ The Swiss National Bank as a joint-stock company may be liquidated by means of a federal act. This act shall also regulate the liquidation procedure.

² In the event of the liquidation of the National Bank, the shareholders shall receive in cash the nominal value of their shares as well as reasonable interest for the period of time since the decision to liquidate the National Bank became effective. The shareholders shall not have any additional rights to the assets of the National Bank. Any remaining assets shall become the property of the new central bank.

²⁶ Amended by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS **2015** 5339; BBl **2014** 7483).

²⁷ SR **220**

²⁸ Amended by No. II 33 of the Federal Act of 6 Oct. 2006 on the New System of Financial Equalisation and Division of Tasks between the Confederation and the Cantons (NFE), in force since 1 Jan. 2008 (AS **2007** 5779 5817; BBl **2005** 6029).

Chapter 5 Organisation**Section 1 Corporate Bodies****Art. 33**

The corporate bodies of the National Bank shall be the General Meeting of Shareholders, the Bank Council, the Governing Board and the Audit Board.

Section 2 General Meeting of Shareholders**Art. 34** Schedule

¹ The ordinary Shareholders' Meeting shall take place every year no later than at the end of June.

² Extraordinary Shareholders' Meetings shall be held whenever the Bank Council so decides or at the request of the Audit Board, or if shareholders jointly representing at least ten percent of the share capital submit a written request stating the agenda and their proposals.

Art. 35 Invitation, agenda

¹ The President of the Bank Council shall convene the Shareholders' Meeting in writing no later than 20 days before the day of assembly.

² The invitation shall state the items on the agenda as well as the Bank Council's proposals. Agenda items with proposals submitted by shareholders shall also be announced. Shareholder proposals must be signed by at least 20 shareholders and must be submitted to the President in writing in due time before the invitation is sent out.

³ No decisions shall be passed with respect to proposals on agenda items which have not been announced in the invitation.

Art. 36 Powers

The Shareholders' Meeting shall have the following powers:

- a. It shall elect five members of the Bank Council.
- b. It shall elect the Audit Board.
- c. It shall approve the annual report and the annual accounts.
- d. It shall decide on the allocation of the net profit.
- e. It shall decide on the discharge of the Bank Council.
- f. It may make proposals concerning amendments to this Act or the liquidation of the National Bank to the Federal Council for submission to the Federal Assembly.

Art. 37 Participation

¹ Any shareholder listed in the share register shall be eligible to attend the Shareholders' Meeting.

² Any shareholder may authorise another shareholder in writing to represent him or her at the Shareholders' Meeting.

Art. 38 Resolutions

¹ The Shareholders' Meeting shall pass its resolutions and perform elections by an absolute majority of the voting stock present. In case of a tie, the chairperson shall have the casting vote.

² Balloting shall be open. It shall be secret if the chairperson so orders or at the request of at least 20 shareholders present.

Section 3 Bank Council**Art. 39** Election and term of office

¹ The Bank Council shall consist of eleven members. The Federal Council shall elect six members, the Shareholders' Meeting five.

² The Federal Council shall appoint the President and the Vice President.

³ The term of office shall be four years.

⁴ The members of the Bank Council shall be eligible for re-election. The full term of office of a member shall not exceed twelve years.

Art. 40 Requirements

¹ To be eligible for election as members of the Bank Council, persons must have Swiss citizenship, an impeccable reputation and a recognised knowledge of the fields of banking and financial services, business administration, economic policy, or an academic field. They need not be shareholders.

² The different parts of the country and language regions shall be adequately represented in the Bank Council.

Art. 41 Resignation, removal from office and election of a substitute

¹ Members of the Bank Council may resign at any time by giving three months' notice. The resignation shall be submitted to the President of the Bank Council.

² The members elected by the Federal Council shall be replaced as soon as possible; the members elected by the Shareholders' Meeting shall be replaced at the next Shareholders' Meeting. The new members shall be elected for the remainder of the term.

³ The Federal Council may remove from office any member elected by it if said member no longer fulfils the requirements for exercising the office or has committed a grave offence. The Federal Council shall elect a substitute according to paragraph 2.

Art. 42 Tasks

¹ The Bank Council shall oversee and control the conduct of business by the National Bank, notably regarding compliance with the Act, regulations and directives.

² In particular, it shall perform the following tasks:

- a. It shall lay down the internal organisation of the National Bank; notably, it shall issue the organisation regulations and submit these to the Federal Council for approval.
- b. It shall decide on the opening or closing of branches, agencies and representative offices.
- c. It may set up advisory councils at the bank offices for observing the economic situation in the regions.
- d. It shall approve the level of provisions.
- e. It shall oversee the investment of assets and risk management.
- f. It shall approve the annual report and the annual accounts for submission to the Federal Council and the Shareholders' Meeting.
- g. It shall prepare the Shareholders' Meeting and implement its resolutions.
- h. It shall draw up the proposals for the election of the members of the Governing Board and their deputies and may submit petitions for the removal of any such elected persons to the Federal Council.
- i. It shall appoint the members of the management at the head offices, branches and representative offices; they shall be employed on the basis of private-law employment contracts.
- j. It shall lay down the remuneration of its members and the salaries of the members of the Governing Board in a set of regulations. Article 6a paragraphs 1–6 of the Federal Personnel Act of 24 March 2000²⁹ shall apply *mutatis mutandis*.
- k. It shall lay down the principles for the salaries of staff members in salary regulations.
- l. It shall lay down the rules on the legally binding authority to sign on behalf of the National Bank in a set of regulations.

³ The Bank Council shall pass decisions in all matters not allocated to another body by statute or the organisation regulations.

²⁹ SR 172.220.1

Section 4 Governing Board

Art. 43 Election and term of office

¹ The Governing Board shall consist of three members, to whom deputies shall be assigned.

² The members of the Governing Board and their deputies shall be appointed by the Federal Council on the recommendation of the Bank Council. Their term of office shall be six years. Re-election is possible.

³ The Federal Council shall designate the chairperson and the vice-chairperson of the Governing Board.

Art. 44 Requirements

¹ Persons with an impeccable reputation and a recognised knowledge of monetary, banking and financial issues can be elected as members of the Governing Board. They must, moreover, hold Swiss citizenship and be resident in Switzerland.

² They may not exercise any other business activity nor hold a federal or cantonal office. The Bank Council may authorise exceptions in cases where a mandate is in the Bank's interest.

³ The requirements contained in this Article shall also apply to the deputies of the members of the Governing Board.

Art. 45 Removal from office and election of a substitute

¹ A member of the Governing Board or a deputy can be removed from office by the Federal Council following a proposal by the Bank Council during his or her term of office if said person no longer fulfils the requirements for exercising this office or has committed a grave offence.

² In such a case, the Federal Council shall elect a substitute according to Article 43. The substitute member shall be elected for the remainder of the current term.

Art. 46 Tasks

¹ The Governing Board is the supreme management and executive body. It shall represent the National Bank vis-à-vis the public and fulfil the accountability obligation pursuant to Article 7.

² In particular, it shall perform the following tasks:

- a. It shall take conceptual and operational monetary policy decisions.
- b. It shall decide on the composition of the required currency reserves including the proportion of gold.
- c. It shall decide on the investment of assets.
- d. It shall exercise the monetary policy powers according to chapter 3.
- e. It shall perform the tasks relating to international monetary cooperation.

- f. It shall decide on the salaries of the staff at the head offices, branches and representative offices; staff are hired on the basis of private-law employment contracts.
- g. It shall confer authority to sign and limited commitment authority on employees.

³ The allocation of the tasks shall be determined by the organisation regulations.

Section 5 Audit Board

Art. 47 Election and requirements

¹ The Shareholders' Meeting shall elect the Audit Board. It may consist of one or more natural persons or legal entities. The auditors shall be elected for a term of one year. Re-election is possible.

² The auditors must meet special professional requirements pursuant to Article 727b CO³⁰, and they must be independent of the Bank Council, the Governing Board and the controlling shareholders.

Art. 48 Tasks

¹ The Audit Board shall examine whether the bookkeeping and the annual accounts as well as the proposal for the allocation of the net profit comply with the statutory requirements.

² The Audit Board shall be entitled to inspect at any time all aspects of the National Bank's business. The Bank shall hold all the usual documents at its disposal and provide any information necessary for fulfilling the auditing obligation.

Section 6 Secrecy, Exchange of Information and Liability

Art. 49 Secrecy

¹ The members of the bank bodies, the employees and the agents of the National Bank shall be bound by official and professional secrecy.

² Official and professional secrecy must be kept even after a person has ceased to be a member of a bank body or an employee of the Bank.

³ Any person who violates official or professional secrecy shall be liable to a custodial sentence not exceeding three years or a fine.³¹

⁴ Any person who discloses a secret with the written consent of his or her superior shall not be liable to prosecution.

³⁰ SR 220

³¹ Amended by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS 2015 5339; BBl 2014 7483).

Art. 50³² Cooperation with domestic authorities

¹ The National Bank is authorised to provide the competent Swiss financial market supervisory authorities with non-public information which they need to fulfil their tasks.

² It may also exchange non-public information on certain financial market participants with the Department if this helps maintain the stability of the financial system.

Art. 50a³³ Cooperation with foreign central banks

¹ The National Bank may cooperate with foreign central banks and the Bank for International Settlements (BIS) in order to perform its tasks in accordance with Article 5.

² It may transmit non-public information on certain financial market participants to foreign central banks and the BIS only if:

- a. this information is used exclusively to fulfil tasks that correspond to those of the National Bank;
- b. confidentiality is ensured.

Art. 50b³⁴ Cooperation with international organisations and bodies

¹ In order to fulfil its tasks in accordance with Article 5, the National Bank may participate in multilateral initiatives of international organisations and bodies which give rise to the exchange of information.

² In the case of multilateral initiatives which have far-reaching implications for the Swiss financial centre, participation in the exchange of information shall take place in agreement with the Department.

³ When participating, the National Bank may transmit non-public information to international organisations and bodies only if confidentiality is ensured.

⁴ The National Bank shall agree the precise intended use and any further dissemination with the international organisations and bodies. Paragraph 3 remains reserved.

Art. 51 Liability

¹ Liability of the National Bank, its bodies and employees shall be governed by the Federal Act of 14 March 1958³⁵ on the Liability of the Federal Government, the Members of its Authorities and its Public Officials.

² To the extent that the National Bank, its bodies and employees act in a private-law capacity, liability shall be governed by private law.

³² Amended by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS 2015 5339; BBl 2014 7483).

³³ Inserted by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS 2015 5339; BBl 2014 7483).

³⁴ Inserted by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS 2015 5339; BBl 2014 7483).

³⁵ SR 170.32

Chapter 6 Procedure and Legal Remedies

Art. 52 Orders

¹ The National Bank shall issue its decisions pursuant to Articles 15, 16a, 18, 20, 22 and 23 of this Act, Article 8 of the Banking Act of 8 November 1934³⁶ and Articles 23 and 25 FMIA³⁷ in the form of an order.³⁸

² Final and conclusive orders on the payment of sums of money shall be equivalent to court judgments enforceable in terms of Article 80 of the Federal Act of 11 April 1889³⁹ on Debt Collection and Bankruptcy.

Art. 53⁴⁰ Legal remedies⁴¹

¹ The contesting of National Bank orders is governed by the provisions on the administration of federal justice.⁴²

^{1bis} The National Bank is entitled to appeal to the Federal Supreme Court.⁴³

² An action may be brought before the Federal Supreme Court in the event of disputes between the Confederation and the cantons regarding the agreement on the distribution of profits pursuant to Article 31.

Art. 54 Jurisdiction of the civil courts

Private-law disputes between the National Bank and third parties are subject to the jurisdiction of the civil courts.

Chapter 7 Final Provisions

Section 1 Repeal and Amendment of Existing Legislation

Art. 55

The existing legislation that is repealed or amended is listed in the Annex.

³⁶ SR **952.0**

³⁷ SR **958.1**

³⁸ Amended by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS **2015** 5339; BBl **2014** 7483).

³⁹ SR **281.1**

⁴⁰ Amended by Annex No. 142 of the Administrative Court Act of 17 June 2005, in force since 1 Jan. 2007 (AS **2006** 2197 1069; BBl **2001** 4202).

⁴¹ Amended by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS **2015** 5339; BBl **2014** 7483).

⁴² Amended by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS **2015** 5339; BBl **2014** 7483).

⁴³ Inserted by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, in force since 1 Jan. 2016 (AS **2015** 5339; BBl **2014** 7483).

Section 2 Transitional Provisions

Art. 56 and 57⁴⁴

Art. 58 ...⁴⁵

¹ Claims entered in the Federal Debt Register at the time of its abolition shall be converted into bonds of the respective issue by the Swiss National Bank, and shall be held in safekeeping free of charge for the last registered creditor.

² Claims which are converted into bonds when this Act comes into force shall be entered in the balance sheet in accordance with the Act heretofore in effect. The bonds may be entered in the balance sheet by the last registered creditor at cost price. If the acquisition cost is higher than the redemption value, the difference must be written off at least in annual amounts distributed equally over the entire term. If the acquisition cost is lower, the difference may be settled in even annual payments at the most.

Section 3 Referendum and Commencement

Art. 59

¹ This Act is subject to the optional referendum.

² The Federal Council shall decide on the commencement date.

Commencement date: ⁴⁶

Annex No. II 5 Article 4: 1 January 2005

All other provisions: 1 May 2004

⁴⁴ Repealed by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, with effect from 1 Jan. 2016 (AS **2015** 5339; BBl **2014** 7483).

⁴⁵ Repealed by Annex No. 8 of the Financial Market Infrastructure Act of 19 June 2015, with effect from 1 Jan. 2016 (AS **2015** 5339; BBl **2014** 7483).

⁴⁶ Federal Council Decree of 24 March 2004.

Annex
(Art.55)

Repeal and amendment of existing legislation

I

The following enactments are repealed:

1. Federal Act of 21 September 1939⁴⁷ on the Federal Debt Register
2. National Bank Act of 23 December 1953⁴⁸
3. Decree of the Federal Parliament of 26 June 1930⁴⁹ on the Participation of the Swiss National Bank in the Bank for International Settlements
4. Decree of the Federal Parliament of 28 November 1996⁵⁰ on the Renewal of the Swiss National Bank's Note-Issuing Privilege

II

The enactments below are amended as follows:

...⁵¹

⁴⁷ [BS 6 10]

⁴⁸ [AS 1954 599, 1979 983, 1993 399, 1997 2252, 1998 2847 Annex No. 7, 2000 1144 Annex No. 4]

⁴⁹ [BS 6 100]

⁵⁰ [BB1 1997 I 821]

⁵¹ The amendments may be consulted under AS 2004 1985.