Regulations on the Organisation of the Swiss National Bank

of 14 May 2004 (as at 15 July 2016)

The Bank Council of the Swiss National Bank,

based on article 42, paragraph 2, letter a of the National Bank Act of 3 October 2003[1] (NBA),

resolves:

1. General

Art. 1 Subject matter

These Regulations lay down the organisational structure of the Swiss National Bank (SNB), define the procedure of the General Meeting of Shareholders as a complement to articles 34–38 NBA and stipulate the tasks and activities of the Bank Council, the Governing Board, the Enlarged Governing Board[2] and the Board of Deputies[3].

Art. 2 Relationship with other Regulations

The Organisation Regulations constitute the SNB's basic internal rules. They take precedence over other Regulations.

2. Organisational structure

Art. 3 Departments

[1] The SNB is divided into three Departments. Each Department has a specific area of activity.

[2] The organisational units of Departments I and III are for the most part located at the Zurich head office, and those of Department II are for the most part located at the Berne head office.

[3] Each Department is headed by a member of the Governing Board, and Department I by the Chairwoman or Chairman of the Governing Board.

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1 SR **951.11**

2 Term in accordance with section I of the Bank Council resolution of 24 October 2008, approved by the Federal Council on 19 December 2008 and in force since 1 January 2009 (AS **2009** 51). This change has been taken into account throughout these Regulations.

3 Version in accordance with section 351 of the Bank Council resolution of 8 April 2016, approved by the Federal Council on 3 June 2016 and in force since 15 July 2016 (AS **2016** 2367).

[4] Each member of the Governing Board has a deputy. The members of the Governing Board involve their deputies in the management of their Department. The deputies represent the members of the Governing Board on the Governing Board and are responsible for the conduct of business in their Department.[4]

Art. 4[5] Areas of activity

[1] The area of activity of Department I comprises: International Monetary Cooperation, Economic Affairs, Legal and Property Services.

[2] The area of activity of Department II comprises: Cash, Finance and Risk, Financial Stability.

[3] The area of activity of Department III comprises: Financial Markets, Banking Operations, Information Technology.[6]

Art. 5 Secretariat General

[1] The Secretariat General is the administrative unit of the Governing Board and the Bank Council. It is headed by the Secretary General.

[2] It reports to the Governing Board. As regards its activity for the General Meeting of Shareholders and the Bank Council, it reports to the President of the Bank Council.

[3] In administrative terms, the Secretariat General belongs to Department I.

Art. 6 Internal Auditors

[1] Internal Auditors are an independent instrument for overseeing and controlling the SNB's business activity. They report to the Audit Committee.[7]

[2] In administrative terms, Internal Auditors belong to Department I.

Art. 7[8] Branches and representative offices

[1] The SNB may maintain branch offices and representative offices in Switzerland and abroad to fulfil its tasks pursuant to art. 5 NBA.

[2] The SNB maintains representative offices, which monitor the economic situation and distribute information in their regions. The delegates for regional economic relations who are responsible for these tasks report to Department I.

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4 Version in accordance with section I of the Bank Council resolution of 8 April 2011, approved by the Federal Council on 29 June 2011 and in force since 15 July 2011 (AS **2011** 3285).

5 Version in accordance with section I of the Bank Council resolution of 8 April 2011, approved by the Federal Council on 29 June 2011 and in force since 15 July 2011 (AS **2011** 3285).

6 Version in accordance with section I of the Bank Council resolution of 31 March 2006, approved by the Federal Council on 16 June 2006 and in force since 1 July 2006 (AS **2006** 2609).

7 Version in accordance with section I of the Bank Council resolution of 8 April 2011, approved by the Federal Council on 29 June 2011 and in force since 15 July 2011 (AS **2011** 3285).

8 Version in accordance with section I of the Bank Council resolution of 8 April 2011, approved by the Federal Council on 29 June 2011 and in force since 15 July 2011 (AS **2011** 3285). Correction of 3 June 2016 (AS **2016** 2367) in force since 15 July 2016.

3. Procedure of the General Meeting of Shareholders

Art. 8 Constitution

[1] The President or, in his or her absence, the Vice President of the Bank Council chairs the General Meeting of Shareholders.

[2] The General Meeting of Shareholders elects the vote counters in an open vote by absolute majority of the shareholders present. The members of the Bank Council cannot be elected as vote counters.

[3] The minutes of the General Meeting of Shareholders are taken by the Secretary General or, in his or her absence, by a deputy.

[4] An attendance list is drawn up. It contains the number of shareholders present or represented at the General Meeting of Shareholders and the number of shares represented by them.

[5] The minutes and the attendance list are to be signed by:

a) the President;

b) the minute-taker;

c) the vote counters.

Art. 9 Quorum

[1] The General Meeting of Shareholders constitutes a quorum if at least 30 shareholders who together represent at least 10,000 shares are present.

[2] If, upon the first invitation, no quorum is reached, another General Meeting of Shareholders must be convened immediately. Regardless of the number of shareholders present and the shares represented, such a meeting constitutes a quorum. Paragraph 3 remains reserved.

[3] Proposals to the Federal Council based on article 36, letter f NBA (concerning amendments to the National Bank Act or the dissolution of the SNB) may only be adopted if at least half of all shares are represented.

4. Bank Council

Art. 10[9] Tasks

[1] The Bank Council oversees and controls the conduct of business by the SNB. It issues the regulations necessary for the implementation of its tasks.

[2] The Bank Council is responsible for:

a) determining the SNB's basic organisational structure and deciding on the establishment or closure of branches, agencies and representative offices, issuing regulations on the recognition and representation of shareholders,

[9] Version in accordance with section I of the Bank Council resolution of 24 October 2008, approved by the Federal Council on 19 December 2008 and in force since 1 January 2009 (AS **2009** 51).

the regional economic councils as well as regulations with regard to legally binding signatures on behalf of the SNB;

b) regulating the organisation of accounting, financial control and financial planning, monitoring the activities of internal and external auditors, and assessing the efficacy of the internal control system;

c) adopting the annual budget and a planning reserve for unforeseen expenses, approving non-budgeted investments and expenses which do not exceed the planning reserve (new projects involving non-recurrent costs in excess of CHF 5 million or recurrent costs in excess of CHF 1 million must be submitted as a separate item) and approving the annual budget statement;[10]

d) approving the level of provisions;

e) assessing the management of credit and market risk and monitoring their implementation, assessing the principles of the investment process and monitoring compliance with them;

f) obtaining information on the strategies of the SNB's resource management, in particular in the fields of IT, personnel and real estate, and initiating regular checks;

g) proposing potential members of the Governing Board as well as their deputies to the Federal Council for election, and deciding on the employment, promotion and dismissal of directors as well as the head of the Internal Auditors unit;[11]

h) laying down the remuneration of its members and the salaries of the members of the Governing Board and their deputies in a set of regulations, laying down the principles for the salaries of staff members;

i) monitoring the management activities of the Enlarged Governing Board, in particular with regard to compliance with the law, the Articles of Association, regulations and directives;[12]

j) assessing the management of operational risk and monitoring its implementation;

k) approving the annual report and the annual accounts to be submitted to the Federal Council and the General Meeting of Shareholders, preparing the General Meeting of Shareholders and implementing its resolutions;

l) approving the agreements with the Federal Department of Finance on the distribution of profits;

m) deciding on the design of banknotes;

n) appointing the members of the regional economic councils.

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[10] Version in accordance with section I of the Bank Council resolution of 8 April 2011, approved by the Federal Council on 29 June 2011 and in force since 15 July 2011 (AS **2011** 3286).

[11] Version in accordance with section I of the Bank Council resolution of 8 April 2011, approved by the Federal Council on 29 June 2011 and in force since 15 July 2011 (AS **2011** 3286).

[12] Version in accordance with section 351 of the Bank Council resolution of 8 April 2016, approved by the Federal Council on 3 June 2016 and in force since 15 July 2016 (AS **2016** 2367).

o) issuing a regulation on financial investments and financial transactions by members of SNB management.[13]

Art. 11 Audit Committee

[1] The Bank Council appoints an Audit Committee. It consists of at least two members of the Bank Council.

[2] It supports the Bank Council in supervising financial accounting and financial reporting as well as compliance with laws and regulations. It assesses the effectiveness of the internal control system and supervises the activity of external and internal auditors. The tasks of the Audit Committee are laid down in a special set of regulations.

Art. 12 Risk Committee

[1] The Bank Council appoints a Risk Committee. It consists of at least two members of the Bank Council.

[2] It supports the Bank Council in assessing and overseeing risk management and the investment process. The tasks of the Risk Committee are laid down in a special set of regulations.[14]

Art. 13 Compensation Committee

[1] The Bank Council appoints a Compensation Committee. It consists of at least three members of the Bank Council, including its President.

[2] It supports the Bank Council in determining the principles of the SNB's compensation and salary policy and submits proposals to the Bank Council for fixing the salaries of the members of the Governing Board and their deputies. The principles of article 6a, paragraphs 1–6 of the Federal Personnel Act of 24 March 2000[15] serve as a guideline. The tasks of the Compensation Committee are laid down in a special set of regulations.

Art. 14[16] Nomination Committee

[1] The Bank Council appoints a Nomination Committee which consists of at least three members of the Bank Council, including its President.

[2] The Nomination Committee draws up nominations for:

a) Bank Council members to be elected by the General Meeting of Shareholders pursuant to article 36, (a) NBA;

b) Governing Board members and their deputies pursuant to article 42, paragraph 2, (h) NBA.

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13 Inserted by section 351 of the Bank Council resolution of 8 April 2016, approved by the Federal Council on 3 June 2016 and in force since 15 July 2016 (AS **2016** 2367).

14 Version in accordance with section I of the Bank Council resolution of 31 March 2006, approved by the Federal Council on 16 June 2006 and in force since 1 July 2006 (AS **2006** 2609).

15 SR **172.220.1**

16 Version in accordance with section I of the Bank Council resolution of 8 April 2011, approved by the Federal Council on 29 June 2011 and in force since 15 July 2011 (AS **2011** 3286).

Art. 15 Rights and obligations regarding the disclosure of information

[1] The Governing Board submits to the Bank Council the quarterly financial accounts and the key figures of the annual accounts, together with brief commentaries.[17]

[2] On request, it submits to the Bank Council any further documentation the Bank Council requires for performing its tasks.

[3] Furthermore, it regularly informs the Bank Council on the economic situation, the financial market situation, monetary policy, the stability of the financial system and the investment of the assets.[18]

Art. 16 Meetings

[1] As a rule, the Bank Council holds six ordinary meetings a year. Extraordinary meetings of the Bank Council can be convened by the President or at the request of three members.

[2] The Bank Council constitutes a quorum if at least six members, including the chairperson, are present.

[3] Resolutions are passed by an absolute majority of votes of the members present; in the event of a tie, the chairperson's vote shall count twice.

[4] The members of the Governing Board generally attend the meetings of the Bank Council in an advisory capacity. The Bank Council may call upon experts to attend the discussions.

[5] In urgent cases, resolutions may be passed by conference call or by circular letter. Such resolutions are passed by an absolute majority of votes of the Bank Council members. They must be included in the minutes of the next meeting.

Art. 17 Agenda and minutes

[1] The chairperson of the Bank Council sets the agenda. Any member may request in writing up to ten days before the meeting is to take place that an item be included in the agenda. Submissions to the Bank Council may be written in German or in French.

[2] The minutes of the Bank Council meetings are taken by the Secretary General or a deputy. They must contain the wording of the resolutions and, in case of discussions on key matters, the justification for the resolutions.

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[17] Version in accordance with section I of the Bank Council resolution of 31 March 2006, approved by the Federal Council on 16 June 2006 and in force since 1 July 2006 (AS **2006** 2609).

[18] Version in accordance with section I of the Bank Council resolution of 31 March 2006, approved by the Federal Council on 16 June 2006 and in force since 1 July 2006 (AS **2006** 2609).

5. Governing Board

Art. 18 Tasks

[1] The Governing Board is a collegial body. It is the supreme management and executive body. It represents the SNB in public and fulfils the duty of accountability pursuant to article 7 NBA.

[2] In addition to the tasks outlined in article 46, paragraph 2, NBA, the Governing Board is responsible for:

a) pre-deliberating matters to be submitted to the Bank Council, except for matters falling within the responsibility of the Enlarged Governing Board (art. 22, paras. 2 b–d of these Regulations);
b) issuing monetary policy guidelines, including those on the publication of important monetary policy data;
c) issuing investment policy guidelines;
d) issuing the Terms of Business and the terms and conditions for agencies maintained by other banks;
e) determining the strategy for the investment of the assets;
f) deciding on the face value of the banknotes to be issued;
g) issuing and withdrawing banknote types and banknote series;
h) concluding agreements on banking services rendered for federal offices;
i) deciding on the institution of legal proceedings (except for proceedings before a labour or rent court).

Art. 19 Meetings

[1] As a rule, the Governing Board holds two ordinary meetings a month. They are chaired by the Chairman or Chairwoman, or the Vice Chairman or Vice Chairwoman. Any member can request the convocation of an extraordinary meeting.

[2] Written proposals concerning matters on which resolutions are to be passed are submitted by the Departments or the Secretariat General prior to the meeting.

[3] The President of the Bank Council is entitled to attend the meetings of the Governing Board in an advisory capacity; excluded are those meetings in which monetary policy decisions are prepared or passed.

[4] The Governing Board constitutes a quorum if at least two members of the Governing Board and the deputy of the absent member are present. All resolutions are passed with a majority of votes.

[5] In urgent cases, resolutions may be passed by conference call or by circular letter. Such resolutions must be included in the minutes of the next meeting.

Art. 20 Agenda and minutes

[1] The chairperson sets the agenda. Any member may demand that proposals that are not listed on the agenda be deferred to a subsequent meeting unless they are urgent.

[2] The minutes of the Governing Board are taken by the Secretary General or a deputy. They must contain the wording of the resolutions and, in case of discussions on key matters, the justification for the resolutions.

[3] The minutes of the Governing Board meetings are also transmitted to the President of the Bank Council.

6. Enlarged Governing Board

Art. 21 Composition

The Enlarged Governing Board of the SNB is composed of the members of the Governing Board and their deputies.

Art. 22[19] Tasks

[1] The Enlarged Governing Board is responsible for issuing the strategic guidelines on the SNB's conduct of business.

[2] The Enlarged Governing Board is responsible for:

a) adopting strategies for the SNB's conduct of business, including resource strategies and human resources planning;

b) approving the annual budget, the planning reserve and the annual budget statement for the attention of the Bank Council;

c) deciding on the employment, promotion and dismissal of senior management staff with the exception of directors;

d) releasing members of senior management from their obligation of secrecy pursuant to article 49 NBA.

[3] It is at any time entitled to take in hand matters that, in accordance with article 24b, fall within the responsibility of the Board of Deputies.

Art. 23 Meetings

[1] As a rule, the Enlarged Governing Board meets four to six times a year. The Chairperson or the Vice Chairperson of the Governing Board chairs the meeting.[20]

[2] Written proposals concerning matters on which resolutions are to be passed are submitted by the Departments or the Secretariat General prior to the meeting.

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[19] Version in accordance with section I of the Bank Council resolution of 8 April 2011, approved by the Federal Council on 29 June 2011 and in force since 15 July 2011 (AS **2011** 3286).

[20] Version in accordance with section I of the Bank Council resolution of 8 April 2011, approved by the Federal Council on 29 June 2011 and in force since 15 July 2011 (AS **2011** 3287).

[3] The President of the Bank Council is entitled to attend the meetings of the Enlarged Governing Board in an advisory capacity.

[4] The Enlarged Governing Board constitutes a quorum if at least two members of the Governing Board, the deputy of the absent member and one other deputy are present. All resolutions are passed by an absolute majority of votes of the members present, but require at least two votes of Governing Board members. In the event of a tie, the votes of the Governing Board members and, if applicable, of the deputy of an absent member, shall count twice.

Art. 24 Agenda and minutes

[1] The Chairperson of the Enlarged Governing Board sets the agenda in consultation with the Chairperson of the Board of Deputies. Any member may require that proposals that are not listed on the agenda be deferred to a subsequent meeting unless they are urgent.[21]

[2] The minutes of the Enlarged Governing Board meetings are taken by the Secretary General or a deputy. They must contain the wording of the resolutions and, in case of discussions on key matters, the justification for the resolutions.

[3] The minutes of the Enlarged Governing Board meetings are also transmitted to the President of the Bank Council.

6a.[22] Board of Deputies

Art. 24a Composition

[1] The Board of Deputies is made up of the deputies of the members of the Governing Board.

[2] Chairmanship of the Board of Deputies changes annually, at the beginning of each year.

[3] Upon absence of one of the members, the departmental management may designate another person from the Department to take part in the Board of Deputies meeting, with the right to vote.

Art. 24b[23] Tasks

[1] The Board of Deputies is responsible for planning and implementing the strategic guidelines on the SNB's conduct of business. It ensures coordination in all operational matters that are of inter-departmental importance.

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[21] Version in accordance with section I of the Bank Council resolution of 8 April 2011, approved by the Federal Council on 29 June 2011 and in force since 15 July 2011 (AS **2011** 3287).

[22] Inserted based on section I of the Bank Council resolution of 24 October 2008, approved by the Federal Council on 19 December 2008 and in force since 1 January 2009 (AS **2009** 51).

[23] Version in accordance with section I of the Bank Council resolution of 8 April 2011, approved by the Federal Council on 29 June 2011 and in force since 15 July 2011 (AS **2011** 3287).

[2] The Board of Deputies is responsible for:

a) preparing strategic planning, including human resource and other resource planning;

b) reviewing the budget submissions and submitting the planning reserve application;

c) approving budget supplements within the planning reserve; reviewing the budget statement and preparing the accountability report, including the planning reserve, for the attention of the Bank Council;

d) issuing directives and guidelines on the conduct of business;

e) deciding on operational matters of inter-departmental importance in the areas of organisation, real estate, personnel and information technology.

f) adopting the guidelines on the internal control system and on the management of operational risks;

g) deciding on the employment, promotion and dismissal of members of middle management, and granting authority to sign (Zeichnungsberechtigung) and authority to sign per procuration (Prokura);

h) releasing employees who are not members of senior management from their obligation of secrecy pursuant to article 49 NBA.

Art. 24c Meetings and resolutions

[1] Decisions by the Board of Deputies must be unanimous. If no decision is reached, the matter goes to the Enlarged Governing Board for resolution.

[2] As a rule, the Board of Deputies meets twice a month. The Chairperson sets the agenda in consultation with the other members of the Board of Deputies.[24]

[3] The minutes of the meeting are taken by the Deputy Secretary General. They must contain the wording of the resolutions and, in the event of discussions on key matters, the justification for the resolutions.[25]

[4] The Chairperson reports to the Enlarged Governing Board. The Enlarged Governing Board will only discuss a decision by the Board of Deputies at the explicit request of one of the Departments.[26]

7. Additional provisions

Art. 25 Titles

[1] The members of the Governing Board bear the following titles:

a) Chairwoman/Chairman of the Governing Board;

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[24] Version in accordance with section I of the Bank Council resolution of 8 April 2011, approved by the Federal Council on 29 June 2011 and in force since 15 July 2011 (AS **2011** 3287).

[25] Version in accordance with section I of the Bank Council resolution of 8 April 2011, approved by the Federal Council on 29 June 2011 and in force since 15 July 2011 (AS **2011** 3287).

[26] Version in accordance with section I of the Bank Council resolution of 8 April 2011, approved by the Federal Council on 29 June 2011 and in force since 15 July 2011 (AS **2011** 3287).

b) Vice Chairwoman/Vice Chairman of the Governing Board;

c) Member of the Governing Board.

[2] Their deputies bear the title of Alternate Member of the Governing Board.

Art. 26 Abstention

[1] The members of the Bank Council, the members of the Governing Board and their deputies are obliged to abstain from deliberating and voting on matters:

a) in which they have a personal interest;

b) in which persons are involved or have a personal interest who are related to them by blood or by marriage up to the third degree or who are their spouses or de facto spouses;

c) in which a legal entity or company is involved or interested, to whose administration or management they belong or which they can influence significantly as shareholders or associates;

d) with regard to which they may be biased for other reasons.

[2] If the question of abstention gives rise to dispute, the respective body – excluding the member in question – shall decide on this issue. In the event of a tie, the chairperson's vote shall count twice.

Art. 27 Resignation from the Bank Council

[1] The members of the Bank Council resign, at the latest, with effect from the date of the ordinary General Meeting of Shareholders in the year in which they reach the age of 70.

[2] If they complete the maximum term of office of 12 years before then, they resign with effect from the date of the ordinary General Meeting of Shareholders in the year in which this term is completed.

[3] If a member of the Bank Council considers that the statutory requirements for his or her appointment are no longer met, such member tender his or her resignation to the President with effect from the date of the next ordinary General Meeting of Shareholders, even if the term of office has not expired at the time.

Art. 28 Entry into force

14 May 2004 Swiss National Bank
President of the Bank Council: Hansueli Raggenbass
Vice President: Ruth Lüthi

These Regulations enter into force retroactively as of 1 May 2004.

Approved by the Federal Council on 23 June 2004.

Amended by the Bank Council on 31 March 2006, on 24 October 2008, on 8 April 2011 and on 8 April 2016

(Approved by the Federal Council on 16 June 2006 with effect from 1 July 2006, on 19 December 2008 with effect from 1 January 2009, on 29 June 2011 with effect from 15 July 2011 and on 3 June 2016 with effect from 15 July 2016.)