



Ordinance on the Liquidity of Banks and Securities Firms

(Liquidity Ordinance, LiqO)

SR 952.06
Of 30 November 2012 (status as at 1 July 2022)

Ordinance on the Liquidity of Banks and Securities Firms

(Liquidity Ordinance, LiqO)

SR **952.06**

Of 30 November 2012 (status as at 1 July 2022)

1 Table of Contents

I.	Liquidity Ordinance	pg. 1
----	-------------------------------------	-------

2 Other Languages

DE: [Verordnung über die Liquidität der Banken](#)
(Liquiditätsverordnung, LiqV)

FR: [Ordonnance sur les liquidités des banques](#)
(Ordonnance sur les liquidités, OLiq)

IT: [Ordinanza sulla liquidità delle banche](#)
(Ordinanza sulla liquidità, OLiq)

Ordinance on the Liquidity of Banks and Securities Firms¹

952.06

(Liquidity Ordinance, LiqO)

 Of 30 November 2012 (status as at 1 July 2022)

The Swiss Federal Council,

 based on Articles 4(2), 10(4)(a) and 56 of the Banking Act of 8 November 1934² (BA) of 8 November 1934 and Articles 46(3) and 72 of the Financial Institutions Act of 15 June 2018³ (FIA),⁴
decrees:

Chapter 1: General provisions

ARTICLE 1 Subject

- 1 This ordinance shall regulate the qualitative and quantitative liquidity requirements for banks under the Banking Act (BA) and for account-holding securities firms under the Financial Institutions Act (FIA), henceforth “banks”.⁵
- 2 FINMA shall enact technical implementation provisions.

ARTICLE 2 Principles

- 1 Banks shall hold sufficient liquidity to meet their payment obligations at all times, even under times of stress.
- 2 They shall hold sufficiently large and sustainable liquidity reserves to cover any short-term deteriorations in liquidity and ensure an adequate medium- to long-term financing.⁶

Chapter 2: ...

ARTICLES 3 and 4⁷

¹ Version according to Annex 1 Section II 11 of the Financial Institutions Ordinance of 6 November 2019 in force since 1 January 2020 (AS **2019** 4633).

² SR **952.0**

³ SR **954.1**

⁴ Version according to Annex 1 Section II 11 of the Financial Institutions Ordinance of 6 November 2019 in force since 1 January 2020 (AS **2019** 4633).

⁵ Version according to Annex 1 Section II 11 of the Financial Institutions Ordinance of 6 November 2019 in force since 1 January 2020 (AS **2019** 4633).

⁶ Version according to Section I of the Ordinance of 22 November 2017, in force since 1 January 2018 (AS **2017** 7635).

⁷ Repealed by Section I of the Ordinance of 11 Sept 2020, with effect from 1 July 2021 (AS **2020** 3921).

Chapter 3: Liquidity requirements

Section 1: Qualitative Requirements

ARTICLE 5 Principles of proportionality

Banks shall manage their liquidity risks according to their size, the type, scope, complexity and riskiness of their business activities, both at the stand-alone institution and group level.

ARTICLE 6 Government, control and steering functions

- 1 Banks shall define the degree to which they are willing to enter into liquidity risks (liquidity risk tolerance).
- 2 The strategies to manage liquidity risks shall be consistent with the liquidity risk tolerance.
- 3 They shall take into account the liquidity-related costs and risks for all significant balance-sheet and off-balance sheet transactions, specifically when setting prices, introducing new products and measuring the generated earnings. They shall ensure a balanced relationship between risk-taking incentives and existing liquidity risks as per the defined liquidity risk tolerance.

ARTICLE 7 Risk measurement and management systems

- 1 Banks shall implement appropriate processes to identify, measure, manage and monitor liquidity risks. Specifically, they must prepare a liquidity overview for different time horizons that compares the expected cash inflows and outflows for said periods from balance sheet and off-balance sheet exposures.⁸
- 2 They shall identify, manage and monitor the liquidity risks as well as the financing needs of the financial group and of the legal entities, business areas and currencies which are significant to the liquidity risk. In doing so, they shall consider the legal, regulatory and operational restrictions regarding the transferability of liquidity.⁹
- 3 They shall identify, manage and monitor intraday liquidity risks. The liquidity risks entered into may not interfere with the bank's payment and settlement operations and systems.
- 4 They shall monitor the assets which serve to generate liquidity and differentiate between encumbered and unencumbered assets. They must be in a position to show where these assets are held and how they can be mobilized in a timely manner.

⁸ Version according to Section I of the Ordinance of 25 June 2014, in force since 1 January 2015 (AS **2014** 2321).

⁹ Version according to Section I of the Ordinance of 25 June 2014, in force since 1 January 2015 (AS **2014** 2321).

ARTICLE 8 Risk mitigation

Banks shall undertake measures to mitigate their liquidity risks. Specifically, they must have a limit system in place and a financing structure with diversified funding sources and maturities.

ARTICLE 9 Stress tests

- 1 Every bank shall define a variety of liquidity stress scenarios and use them as a basis for performing stress tests for its liquidity situation. It shall take into account cash flows from off-balance sheet exposures and other contingent funding obligations, including those from securitization vehicles and other special purpose entities to which the bank has provided liquidity or will be obliged to provide material liquidity support in the future due to contractual or reputational reasons.
- 1^{bis} Banks in Categories 4 and 5 in accordance with Annex 3 BO¹⁰ shall only have to take into consideration the stress scenario in accordance with Article 12(1) for the stress tests.¹¹
- 2 When defining the stress scenarios, the following shall be taken into account:
 - a. institution-specific, market-wide and combined stress events and factors;
 - b. different time horizons;
 - c. different degrees of severity of stress events, including the loss of access to unsecured funding and restricted access to secured funding.
- 3 Stress scenario assumptions, particularly with regards to cash inflows and outflows and the liquidity value of assets under a stress event, must be reviewed on a regular basis and after a stress event has occurred.¹²
- 4 The assessment of the stress tests shall include an analysis of their impact on the income statement.

ARTICLE 10 Contingency funding plan

- 1 All banks shall establish a contingency funding plan which contains effective strategies to address liquidity shortages. The contingency funding plan shall clearly define responsibilities, a communication plan and the necessary measures, and shall be documented in a suitable form in internal guidelines and directives.
- 2 When defining a contingency funding plan, banks must take into account the stress scenarios as per Article 9(1) as well as the results of the stress tests.

ARTICLE 11¹³

¹⁰ SR **952.02**

¹¹ Inserted by Section III of the Ordinance of 27 November 2019, in force since 1 January 2020 (AS **2019** 4623).

¹² Version according to Section I of the Ordinance of 25 June 2014, in force since 1 January 2015 (AS **2014** 2321).

¹³ Repealed by Section I of the Ordinance of 11 Sept 2020, with effect from 1 July 2021 (AS **2020** 3921).

Section 2:¹⁴ Quantitative requirements Liquidity Coverage Ratio (LCR)¹⁵

ARTICLE 12 Liquidity Coverage Ratio

- 1 The Liquidity Coverage Ratio (LCR) shall ensure that banks hold sufficient high-quality liquid assets (HQLA) to cover the expected net cash outflow for a 30-calendar-day liquidity stress scenario on an ongoing basis. The assumptions in respect of cash outflows and outflow rates shall be based on Annex 2, those on cash inflows and inflow rates on Annex 3.
- 2 Fulfilling the LCR requirements does not relieve banks of their duty to maintain sufficient liquidity reserves as per Article 2(2), and in doing so, taking into account the results of the stress tests as per Article 9(1).

ARTICLE 13 Calculation of the LCR¹⁶

The LCR shall be equal to the quotient of:

- a. the stock of HQLA (numerator); and
- b. the expected net cash outflow for the 30-day stress scenario (denominator).

ARTICLE 14 Fulfillment of LCR requirements

- 1 A bank shall fulfill the LCR requirements if the quotient (as described in Article 13) is at least 1.
- 2 The LCR must be met at both the financial group level and the stand-alone institution level for:
 - a.¹⁷ all exposures as per Articles 15a, 15b and 16 across all currencies, converted into Swiss francs; and
 - b. all exposures as per Articles 15a, 15b and 16 denominated in Swiss francs in consideration of Article 17.
- 3 FINMA shall determine:
 - a. to what extent holding companies with a bank as a subsidiary may be relieved of the LCR requirements if the holding company's fulfillment of LCR requirements would not be appropriate from a regulatory perspective;
 - b. to what extent parent companies of financial groups with a holding company structure are

¹⁴ Version according to Section I of the ordinance of 25 June 2014, in force since 1 Jan. 2015; Article 17e(2) and (3) in force since 1 Jan 2017 (AS **2014** 2321)

¹⁵ Version according to Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

¹⁶ Version according to Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

¹⁷ Version according to Section I of the Ordinance of 22 November 2017, in force since 1 January 2018 (AS **2017** 7635).

relieved of the LCR requirements on a stand-alone basis.

c.¹⁸ to what extent banks in Categories 4 and 5, pursuant to Annex 3 of the Banking Ordinance of 30 April 2014¹⁹ (BO), may benefit from alleviations by proving that they fulfill the LCR.

4 In certain cases, FINMA may:

a.²⁰ issue rules which deviate from the regulatory consolidation requirements in Article 7 of the Capital Adequacy Ordinance (CAO) dated 1 June 2012²¹ if this is necessary to capture additional investments in entities that are material from a liquidity risk perspective;

b. require a bank to meet higher LCR requirements based on the bank's business activities, its liquidity risks, business strategy, the quality of its liquidity risk management or the sophistication of techniques applied.

5 If the funds of a stand-alone institution are mainly provided by foreign branch offices, FINMA may require the stand-alone institution to calculate the LCR excluding the expected inflows from these branch offices. Based on FINMA's risk appraisal, the stand-alone institution may be subjected to further LCR requirements.²²

6 Upon the bank's request, FINMA may relieve foreign banks' branch offices in Switzerland of the LCR requirements if the parent company abroad is subject to regulatory supervision and a legal framework which is equivalent to that of Switzerland and if consolidated LCR figures are disclosed that are comparable to Swiss LCR requirements.

ARTICLE 15 HQLA: definition and composition

1 An asset shall be considered to be HQLA, if

a. the bank can easily convert it into cash at all times within the next 30 calendar days at little or no loss of value; and

b. it fulfills the requirements of Article 15d.

2 HQLA may include assets with:

a. the highest liquidity as defined in Article 15a (Category 1 assets);

b. high liquidity as defined in Article 15b (Category 2a and 2b assets).

¹⁸ Inserted by Section I of the Ordinance of 22 November 2017, in force since 1 January 2018 (AS **2017** 7635).

¹⁹ SR **952.02**

²⁰ Version according to Section I of the Ordinance of 22 November 2017, in force since 1 January 2018 (AS **2017** 7635).

²¹ SR **952.03**

²² Version according to Section I of the Ordinance of 22 November 2017, in force since 1 January 2018 (AS **2017** 7635).

ARTICLE 15a HQLA: Category 1 assets

- 1 Category 1 assets shall include the following:
 - a. coins and bank notes;
 - b. central bank reserves, including minimum reserves, provided the central bank reserves can be drawn in times of liquidity stress;
 - c. marketable securities²³ representing receivables from:
 1. a sovereign,
 2. a central bank,
 3. a subordinated but autonomous local authority which has the right to levy taxes or another type of public sector entity,
 4. the Bank for International Settlements,
 5. the International Monetary Fund,
 6. the European Central Bank,
 7. the European Union,
 8. multilateral development banks;
 - c.^{bis} any marketable securities guaranteed by institutions listed under (c);
 - d. marketable securities representing receivables from a sovereign or central bank issued in domestic currencies by the sovereign or central bank in the country in which the liquidity risk is being taken or in the bank's home country, if the sovereign has a risk weight above 0% according to (53) of the standard approach under Basel II²⁴; as well as
 - e. marketable securities, representing receivables from the Swiss Government or Swiss National Bank (SNB) issued in a foreign currency up to the amount of the bank's stressed net cash outflows in that specific foreign currency in which the bank's operations in the jurisdiction where the bank's liquidity risk is being taken; this is also applicable if the risk weight of Switzerland is above 0% according to (53) of the standard approach under Basel II.

²³ Expression according to Section I of the Ordinance of 22 November 2017, in force since 1 January 2018 (AS **2017** 7635). This amendment has been taken into account throughout the entire enactment.

²⁴ Basel Committee on Banking Supervision – Basel II: International Convergence of Capital Measurement and Capital Standards A Revised Framework Comprehensive Version; may be downloaded at: www.bis.org > Monetary & financial stability > Basel Committee on Banking Supervision > Basel III > Related Information Basel II – June 2006 (comprehensive version)

- 2 The marketable securities listed in (1)(c) and (c^{bis}) may only be considered as Category 1 assets if they fulfill the following prerequisites:
 - a. they are risk-weighted at 0% according to (53) of the standard approach under Basel II.
 - b. in case of guaranteed debt, the guarantee needs to be explicit, irrevocable and unconditional and provided by a sovereign or one of its subordinated local authorities, or a joint liability must be provided by multiple local authorities.
 - c. it may not be a liability of a financial institution as per Annex 1 or any of its affiliated entities. Exempted from this are debt securities issued by financial institutions set up by a sovereign or a subordinated local authority and used to fund promotional loans granted on a non-competitive, not-for-profit basis to promote its public policy objectives.
- 3 Category 1 assets shall be valued at their current market value.

ARTICLE 15b HQLA: Category 2 assets

- 1 Category 2a assets shall include the following:
 - a. marketable securities representing receivables from:
 1. a sovereign,
 2. a central bank,
 3. a subordinated local authority or another type of public sector entity,
 4. and 5.²⁵ ...
 6. Multilateral development banks;
 - a.^{bis} any marketable debt securities guaranteed by an institution listed under (a);
 - b. marketable corporate bonds, including money market instruments, if these were issued by companies which are not deemed to be financial institutions as per Annex 1 either on their own or in connection with other entities; and
 - c.²⁶ marketable, special-law covered bonds not issued by the bank itself or any other financial institution affiliated with it as per Annex 1; covered bonds issued by central mortgage bond institutions (Pfandbriefinstitute) pursuant to the Mortgage Bond Act of 25 June 1930²⁷ (MBA) are eligible in this context.

²⁵ Repealed by Section I of the Ordinance of 22 November 2017, with effect from 1 January 2018 (AS **2017** 7635).

²⁶ Version according to Section I of the Ordinance of 22 November 2017, in force since 1 January 2018 (AS **2017** 7635).

²⁷ SR **211.423.4**

- 2 The marketable debt securities listed in (1)(a) and (abis) may be considered as Category 2a assets only if they fulfill the following requirements:
 - a. they are risk-weighted at a maximum of 20% according to (53) of the standard approach under Basel II.
 - b. it may not be a liability of a financial institution as per Annex 1 or any of its affiliated entities. Exempted from this are debt securities issued by financial institutions set up by a central government or a subordinated local authority and used to fund promotional loans granted on a non-competitive, not-for-profit basis to promote its public policy objectives.
- 3 Corporate bonds as per (1)(b) and covered bonds as per (1)(c) may only be considered as Category 2a assets if they:
 - a. have at least a long-term rating that equals rating class 1 or 2 pursuant to Annex 2 of the CAO²⁸;
 - b. if no such rating is available, have an equivalent short-term rating by a FINMA-recognized rating agency;
 - c. if they are used to cover cash outflows abroad and have a rating from a rating agency recognized by the respective national supervisory authority that is equivalent to the rating as per (a) or (b); or
 - d. do not have a rating as per (a)-(c), but have been assigned an internal probability of default that equals rating classes 1 or 2 pursuant to Annex 2 of the CAO.²⁹
- 4 Category 2a assets shall be valued at their current market value with a haircut of 15 percent.
- 5 FINMA may allow further assets in Category 2 (Category 2b assets), provided these:
 - a. have a proven record as a reliable source of liquidity in the repo or spot markets even during stressed market conditions; and
 - b. have not been issued by a financial institution listed in Annex 1 or any of their affiliated entities.
- 6 Category 2b assets shall be valued at their current market value with a haircut of at least 50 percent.

ARTICLE 15c HQLA: eligibility

- 1 For the calculation of the LCR, assets may be counted toward the total HQLA as follows:
 - a. Category 1 assets: unlimited;
 - b. Category 2b assets (by themselves): up to 15 percent;

²⁸ SR **952.03**

²⁹ Version according to Section I of the Ordinance of 22 November 2017, in force since 1 January 2018 (AS **2017** 7635).

- c. Category 2a and 2b assets together: up to 40 percent.
- 2 Prior to calculating the limits as per (1)(b) and (c):
 - a. the haircuts of 15 and 50 percent as per Article 15b(4) and (6) have to be deducted;
 - b. the transactions as per Article 15e have to be unwound; and
 - c. secured financing transactions have to be settled, if they:
 1. include the exchange of HQLA,
 2. are not covered in Article 15e, and
 3. have a maturity of maximum 30 calendar days.
- 3 The limits shall apply at both at the levels of the financial group level and the stand-alone institutions.
- 4 FINMA shall set the rules for the calculation of the limits.
- 5 Category 1 and 2 assets that constitute securities, bonds or other debt instruments issued abroad may only be included in HQLA, if they:
 - a. are recognized as HQLA by the respective foreign regulator; or
 - b. are deemed to be repo-eligible by the SNB.³⁰
- 6 For the fulfillment of the LCR, all HQLA which are being held at the first day of the 30-day time horizon shall be considered irrespective of their remaining maturity. HQLA which must be unwound according to Article 15e may not be included.
- 7 From the point in time HQLA-eligible assets become ineligible, a bank shall be permitted to consider such assets as HQLA for an additional 30 calendar days.
- 8 HQLA held by a branch or consolidated entity to satisfy local liquidity requirements that exceed that branch's or entity's contribution to the bank's net cash outflow as defined in Article 16 shall not be counted toward the bank's HQLA holdings.³¹

ARTICLE 15d HQLA: other requirements

FINMA shall determine:

- a. the required characteristics for HQLA to be considered as a reliable source of liquidity within the 30-day time horizon during stressed conditions;

³⁰ Version according to Section I of the Ordinance of 22 November 2017, in force since 1 January 2018 (AS **2017** 7635).

³¹ Inserted with Section I of the Ordinance of 3 June 2022, in force since 1 July 2022 (AS **2022** 359).

- b. operational requirements which the management of HQLA must fulfill in order to be able to obtain sufficient liquidity within the 30-day time horizon during stressed conditions;
- c.³² instructions to adequately diversify HQLA.

ARTICLE 15e HQLA: Unwinding / settlement

- 1 Secured financing transactions shall be settled if they include the exchange of HQLA and mature within the next 30 calendar days.
- 2 Secured financing transactions shall encompass collateral swaps and securities financing, such as repo transactions, securities lending transactions, and margin loans.³³
- 3 Liquidity-absorbing transactions with the SNB shall be unwound/settled irrespective of the type of collateral provided if they mature within the next 30 calendar days. Liquidity-generating transactions with the SNB shall only be unwound/settled if they have been collateralized with HQLA and mature within the next 30 calendar days.
- 4 Transactions which include the exchange of Category 2b assets as well as secured financing transactions are not unwound/settled if the assets received are used to cover short positions with a maturity of more than 30 calendar days. Short positions shall include uncovered lending as well as the uncovered sale of an asset.
- 5 For transactions with the SNB which include a contractual termination clause, the notice period shall be relevant when determining the remaining maturity.
- 6 FINMA shall issue technical implementation provisions for secured financing transactions in foreign currencies where the bank has no account with the corresponding foreign central bank.³⁴

ARTICLE 16 Net cash outflow

- 1 The net cash outflow shall be defined as the total expected cash outflows under the specified stress scenario for the subsequent 30 calendar days minus the total expected cash inflows in the same time period.
- 2 When calculating net cash outflow, only up to a maximum of 75% of the expected cash inflows may be considered. FINMA may exempt securities firms without a central bank account from this limitation upon request.³⁵
- 3 Cash outflows shall be calculated by multiplying the balance-sheet and off-balance sheet positions by the respective outflow rate, depending on their outflow category as per Annex 2.

³² Version according to Section I of the Ordinance of 22 November 2017, in force since 1 January 2018 (AS **2017** 7635).

³³ Version according to Section I of the Ordinance of 22 November 2017, in force since 1 January 2018 (AS **2017** 7635).

³⁴ Inserted by Section I of the Ordinance of 22 November 2017, in force since 1 January 2018 (AS **2017** 7635).

³⁵ Version according to Annex 1 Section II 11 of the Financial Institutions Ordinance of 6 November 2019 in force since 1 January 2020 (AS **2019** 4633).

- 4 If a position can be allocated to various outflow categories, the one with the highest outflow rate shall apply.
- 5 Cash inflows shall be calculated by multiplying the balance sheet positions by the respective inflow rate, depending on their inflow category as per Annex 3.
- 6 If a position can be allocated to various inflow categories, the one with the lowest inflow rate shall apply.
- 7 No cash inflows or outflows shall be considered for positions which are unwound/settled according to Article 15e.
- 8 Balance-sheet and off-balance sheet positions may not be recorded twice. In particular, assets included in the stock of HQLA must not be shown as cash inflows at the same time.
- 9 In deviation from Annex 2, FINMA may:
 - a. define lower outflow rates for stable deposits in foreign jurisdictions which are subject to a highly effective deposit insurance scheme;
 - b. recognize an internal model approach for the calculation of increased liquidity needs due to market valuation changes for derivative and other transactions.

ARTICLE 17 Fulfillment of the LCR in Swiss francs

- 1 FINMA shall determine under which conditions and to what extent banks may include assets in foreign currencies in the stock of HQLA in order to fulfill the LCR requirements according to Article 14(2)(b).
- 2 For banks that do not hold any HQLA in foreign currencies due to operational reasons, FINMA shall define under which conditions and to what extent Category 2a assets in excess of the 40 percent limit (Article 15c(1)(c)) may be included in the stock of HQLA.

ARTICLE 17a LCR in significant foreign currencies

- 1 The LCR shall be calculated and monitored in all significant foreign currencies.
- 2 The limits of 15 percent and 40 percent as per (Article 15c(1)(b) and (c)) shall be taken into account when calculating the LCR in significant foreign currencies. The 75 percent limit for cash inflows as per Article 16(2) does not apply.
- 3 FINMA shall determine:
 - a. the consolidation level at which the calculation and monitoring duties apply;
 - b. how large the portion of liabilities in a specific foreign currency has to be, measured against the bank's total liabilities, for that foreign currency to be considered significant.

- 4 In justified individual cases, FINMA may define lower LCR thresholds for significant foreign currencies if the bank assumes excessive foreign currency risk.
- 5 Moreover, it can impose requirements with regard to the LCR for significant foreign currencies if this is necessary for the implementation of recognized international standards.
- 6 HQLA in foreign currencies used to cover net cash outflows in Swiss francs according to Article 17 may not be used to cover net cash outflows in that specific foreign currency.

ARTICLE 17b Breaching the LCR minimum requirements

- 1 Should extraordinary events cause a drastic liquidity shortfall, the minimum requirement may temporarily be breached.
- 2 Banks shall inform FINMA immediately if the minimum requirement cannot be met or if a shortfall is imminent.
- 3 They shall immediately present a plan to FINMA that shows which measures are taken in which timeframe to regain the minimum requirements.
- 4 If the plan does not ensure that the minimum requirements are complied with within an adequate timeframe, FINMA may take appropriate measures.
- 5 For banks which do not fulfill the minimum requirements, the FINMA may request LCR reports during the month with a timely delivery deadline and additional reports on the bank's liquidity situation which are adequate in view of the duration and extent of LCR non-compliance.

ARTICLE 17c³⁶ Liquidity report

- 1 FINMA shall define the form and content of the reporting templates to be used for proof of fulfillment of the LCR (liquidity report). It may envisage alleviations for banks of Categories 4 and 5 pursuant to Annex 3 BO³⁷.
- 2 Banks shall use the financial statements prepared in accordance with the applicable accounting standards as the basis for the valuation of the positions listed in their liquidity report.
- 3 Banks that are not systemically important shall submit their liquidity report to the SNB on a monthly basis within 20 calendar days of the last calendar day of the month. Upon request and in justified cases, FINMA may grant a bank a lower reporting frequency.
- 4 Systemically important banks shall submit their liquidity report to the SNB on a monthly basis within 15 calendar days of the last calendar day of the month.
- 5 FINMA shall define specific reporting obligations for banks that:

³⁶ Version according to Section I of the Ordinance of 22 November 2017, in force since 1 January 2018 (AS **2017** 7635).

³⁷ SR **952.02**

- a. hold exposures in significant foreign currencies as per Article 17a(1);
 - b. are refinanced to a significant extent through foreign branch offices pursuant to Article 14(5).
- 6 In the liquidity report, FINMA may require additional information on liquid-related assets that are not HQLA.

ARTICLE 17d Intra-group cash outflows and inflows

For cash outflows and inflows between a parent company and subsidiaries within the same financial group, FINMA may define outflow and inflow rates that deviate from those defined in Annexes 2 and 3.

ARTICLE 17e Disclosure

- 1 Banks must provide regular and appropriate information to the public in respect of their liquidity situation and their LCR.³⁸
- 2 Systemically important banks shall disclose their LCR as a daily average over the last 90 days. If the regulation requires a disclosure only every six months, the daily average is to be calculated for the last 180 days.
- 3 FINMA may demand the disclosure of their LCR as a daily average from other banks if it considers this to be appropriate in view of its risk assessment or the public's information requirements.
- 4 FINMA shall define the details of the disclosure. Specifically, it shall define what LCR-relevant information is to be disclosed apart from the LCR.

Section 2a: Quantitative requirements Net Stable Funding Ratio³⁹

ARTICLE 17f⁴⁰ Net stable funding ratio

- 1 The Net Stable Funding Ratio (NSFR) shall ensure that banks have a guaranteed stable funding over a one-year time horizon.
- 2 The bank's funding shall be deemed stable if its assets and its off-balance-sheet positions pursuant to Annex 5 Sections 8, 9.1, and 9.2, are soundly financed in the long term.

³⁸ Version according to Section I of the Ordinance of 22 November 2017, in force since 1 January 2018 (AS **2017** 7635).

³⁹ Inserted by Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

⁴⁰ Inserted by Section I of the Ordinance of 25 June 2014 (AS **2014** 2321). Version according to Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

ARTICLE 17g⁴¹ Calculation of the NSFR

The NSFR shall be equal to the quotient of:

- a. the available stable funding (ASF) as the numerator;
- b. the required stable funding (RSF) as the denominator;

ARTICLE 17h⁴² Fulfillment of NSFR requirements

- 1 A bank shall fulfill the NSFR requirements if the quotient (as described in Article 17g) is at least 1.
- 2 The NSFR shall be fulfilled for all positions pursuant to Articles 17k and 17m across all currencies, converted into Swiss francs at the levels of the financial group and stand-alone institution.
- 3 For stand-alone institutions belonging to a financial group, FINMA may allow these to
 - a. fulfill the NSFR requirements for several stand-alone institutions domiciled in Switzerland collectively; or
 - b. take into consideration excess funding determined in one Swiss stand-alone institution for another Swiss stand-alone institution.
- 4 However, stand-alone institutions as per (3) domiciled in Switzerland shall have an independent NSFR of at least 0.8.
- 5 Stand-alone institutions with key domestic, systemically important functions must always fulfill the NSFR at the level of the stand-alone institution as well.
- 6 Article 14(3)–(6) shall apply in analogy.

ARTICLE 17j⁴³ Calculation of secured financial transactions

- 1 Securities received by the bank through reverse repo transactions and collateral swaps may only be recorded as assets if the bank acquires ownership of the rights associated with the assets and bears the market risk of the securities in question.
- 2 Securities loaned by the bank in the context of repo transactions and collateral swaps and which are therefore encumbered may only be recorded as assets if the bank retains ownership of the rights associated with the assets and bears the market risk of the securities in question.
- 3 Assets and liabilities may only be netted if:

⁴¹ Inserted by Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

⁴² Inserted by Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

⁴³ Inserted by Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

- a. the secured financial transaction is a single transaction and involves one and the same counterparty; and
 - b. the conditions pursuant to (33(ii)) of the Basel Framework for the Leverage Ratio⁴⁴ are fulfilled.
- 4 FINMA shall issue implementation provisions for the calculation:
- a. if the residual maturity of the encumbered securities is shorter than the term of the secured financial transaction;
 - b. for partially secured financial transactions;
 - c. for secured financial transactions without any term restrictions.

ARTICLE 17j⁴⁵ Calculation of the liabilities and assets from derivative transactions

- 1 Liabilities from derivatives transactions shall be calculated using the market price for negative replacement values of outstanding contracts.
- 2 Assets from derivatives transactions shall be calculated using the market price for positive replacement values of outstanding contracts.
- 3 In case netting agreements exist between the bank and its counterparty that meet the requirements of (8) and (9) in the Annex of the Basel Framework on the Leverage Ratio⁴⁶, the net replacement values for the derivative transactions covered by these agreements shall be of relevance.
- 4 When calculating the liabilities from derivative transactions, the collateral posted in the form of variation margin payments shall be deducted from the amount of the negative replacement value, irrespective of the type of collateral.
- 5 When calculating assets from derivative transactions, no collateral received may be deducted from the positive replacement value, unless the bank has received collateral from variation margin payments in the form of Category 1 assets pursuant to Article 15a and the further conditions pursuant to (25) of the Basel Framework on the Leverage Ratio are fulfilled.

⁴⁴ Basel Committee on Banking Supervision (2014): Basel III Leverage Ratio Framework and Disclosure Requirements; may be downloaded at www.bis.org > Committees & associations > Basel Committee on Banking Supervision > Publications

⁴⁵ Inserted by Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS 2020 3921).

⁴⁶ Basel Committee on Banking Supervision (2014): Basel III Leverage Ratio Framework and Disclosure Requirements; may be downloaded at www.bis.org > Committees & associations > Basel Committee on Banking Supervision > Publications

ARTICLE 17k⁴⁷ Calculation of the ASF

- 1 The amount of the ASF shall be calculated by:
 - a. allocating the carrying value of the liabilities and equity to the ASF categories pursuant to Annex 4 and then weighting these by multiplying them by the relevant ASF factor; and
 - b. adding together the carrying value weighted as per (a) across all ASF categories.
- 2 The carrying value of equity instruments and liabilities that qualify as eligible capital pursuant to Articles 21– 30 CAO⁴⁸ shall be determined using the value that applies prior to applying the corrections described in Articles 31– 40 CAO.

ARTICLE 17l⁴⁹ Determination of residual maturity of equity instruments and liabilities

- 1 In order to determine the relevant residual maturity if investors or creditors have an option to call, prematurely redeem or terminate equity instruments and liabilities, it shall be assumed that these options will be exercised at the earliest possible point in time.
- 2 If there is a market expectation on the part of investors or creditors that the bank will exercise, particularly for reasons of reputation, options to repurchase equity instruments and liabilities prior to the contractually agreed due date, the equity instruments and liabilities in question must be assigned to the ASF category pursuant to Annex 4 that corresponds to the anticipated shortened residual maturity.
- 3 If options exist to extend the term, it shall be assumed that neither the bank nor investors or creditors will exercise such options. Term-extending options exercisable at the bank's discretion may be considered if the extension does not have any negative effects on its reputation.
- 4 In the case of long-term liabilities with staggered maturities, only the portion that falls due within one year shall be assigned to the ASF category with a residual maturity of less than one year.
- 5 If an equity instrument or liability could be assigned to various ASF categories, the category with the lowest ASF factor shall be selected.

ARTICLE 17m⁵⁰ Calculation of the RSF

- 1 The amount of the RSF shall be calculated by:
 - a. allocating the carrying value of the liabilities and equity to the RSF categories pursuant to Annex 5 and then weighting these by multiplying them by the relevant RSF factor; and

⁴⁷ Inserted by Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

⁴⁸ SR **952.03**

⁴⁹ Inserted by Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

⁵⁰ Inserted by Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

- b. adding together the carrying value weighted as per (a) across all RSF categories.
- 2 The carrying value of the assets and off-balance-sheet positions is calculated using the value reported in the financial statements. Value adjustments pursuant to (52) of the Basel II standard approach and (12) of the Basel Framework on the Leverage Ratio⁵¹ shall be taken into account.
 - 3 When calculating the carrying value of unencumbered mortgage claims for residential properties as per Annex 5 Section 5.1, assets pledged as collateral for loans from central mortgage institutions in accordance with MBL⁵² shall be deducted in their entirety.
 - 4 When calculating the carrying value of encumbered mortgages and the duration of their encumbrance, the carrying value and the residual maturity of the loans from central mortgage institutions being secured shall be used.
 - 5 FINMA shall issue implementation provisions for the calculations set out under (3) and (4) above.
 - 6 At the request of the SNB, FINMA may temporarily reduce the RSF factors for certain transactions, if this would counteract a severe impairment to implementation of the monetary policy.

ARTICLE 17n⁵³ Determination of the residual maturity of assets and off-balance-sheet positions

- 1 The contractually agreed term shall determine the residual maturity of assets and off-balance-sheet positions.
- 2 If options exist to extend the term for the counterparties or creditors, it shall be assumed that these options will be exercised. If the term extension begins at the point from which an option may be exercised, it shall be assumed that the counterparties or borrowers will exercise the option in question at the latest possible point.
- 3 If there is a market expectation on the part of counterparties or creditors that the bank will exercise term-extending options, particularly for reputational reasons, the assets and off-balance-sheet positions shall be assigned to the RSF category that corresponds to the expected extended residual term.
- 4 If early call or redemption options exist, it shall be assumed that the bank, counterparties, or creditors will not exercise them.
- 5 In the case of amortizing loans, installment loans, and annuity loans, only the portion that falls due within one year may be assigned to the RSF category with a residual term of less than one year.
- 6 If an asset or an off-balance-sheet position could be assigned to various RSF categories, the category with the highest RSF factor shall be selected.

⁵¹ Basel Committee on Banking Supervision (2014): Basel III Leverage Ratio Framework and Disclosure Requirements; may be downloaded at www.bis.org > Committees & associations > Basel Committee on Banking Supervision > Publications

⁵² SR **211.423.4**

⁵³ Inserted by Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

ARTICLE 17o⁵⁴ Calculation of the cut-off date

- 1 The calculation of the cut-off date relevant for the NSFR shall be determined through the accounting standards used by the bank.
- 2 If the bank's accounting standards allow both settlement date accounting and trade date accounting, the bank may also use the settlement date accounting even if the accounting follows the trade date accounting principle.
- 3 The ASF factor for the resulting liabilities from trade date accounting is shown in Annex 4 Section 6.4, while the RSF factor for resulting assets is shown in Annex 5 Section 1.4.

ARTICLE 17p⁵⁵ Determination of interdependent liabilities and assets

- 1 FINMA shall define the interdependent liabilities and assets to which an ASF factor and an RSF factor of 0 percent may be applied. It shall take into account international developments in this respect.
- 2 Applying an ASF and an RSF factor of 0 percent shall only be permissible if:
 - a. the individual interdependent liabilities and assets are clearly identifiable;
 - b. the term and basic amount of the interdependent liabilities and assets are identical;
 - c. the liability that arises from the financing received matches the corresponding interdependent asset; and
 - d. the counterparty of a asset is not identical to the counterparty of a liability.

ARTICLE 17q⁵⁶ Funding statement

- 1 FINMA shall define the form and content of the reporting templates to be used for proof of fulfillment of the NSFR (funding statement). It may envisage alleviations for banks of Categories 4 and 5 pursuant to Annex 3 BO⁵⁷.
- 2 Banks shall use their financial statements prepared in accordance with the applicable accounting standards as the basis for the valuation of the positions listed in their funding statement.
- 3 Banks that are not systemically important shall submit their funding statement to the SNB on a quarterly basis within 60 calendar days of the last calendar day of the quarter. Banks in Categories 4 and 5 shall submit the funding statement semi-annually. Upon request, FINMA may grant a bank larger intervals for the funding statement if this is justifiable.

⁵⁴ Inserted by Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

⁵⁵ Inserted by Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

⁵⁶ Inserted by Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

⁵⁷ SR **952.02**

- 4 Systemically important banks shall submit their funding statement to the SNB on a monthly basis within 30 calendar days of the last calendar day of the month.
- 5 FINMA may define separate reporting obligations for banks that are financed to a significant extent through foreign branch offices pursuant to Article 14(5).

ARTICLE 17r⁵⁸ Intragroup financing

For financing within the same financial group, FINMA may set out different ASF factors and RSF factors than those in Annexes 4 and 5 if:

- a. the intragroup counterparty does not have sufficiently stable funding itself;
- b. this would compensate for negative effects from financing within the same financial group because of the asymmetrical treatment of transactions with terms of up to six months; or
- c. it concerns intragroup contingent funding obligations from guarantees in line with Annex 5 Section 9.2.

ARTICLE 17s⁵⁹ Disclosure

- 1 Banks shall regularly provide appropriate information to the public in respect of their financing situation and their NSFR.
- 2 FINMA shall define the details of the disclosure. In particular, it shall determine what NSFR-relevant information shall be disclosed besides the NSFR itself.

Section 2b:⁶⁰ Simplifications for particularly liquid and well capitalized banks in Categories 4 and 5

ARTICLE 17t

Banks in Categories 4 and 5 pursuant to Annex 3 BO⁶¹ that are dispensed from having to adhere to the required capital pursuant to Article 47a CAO⁶² shall also be dispensed from having to adhere to the net stable funding ratio pursuant to Articles 17f - 17s.

⁵⁸ Inserted by Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

⁵⁹ Inserted by Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

⁶⁰ Inserted by Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

⁶¹ SR **952.02**

⁶² SR **952.03**

Section 3: Quantitative requirements for privileged deposits

ARTICLE 18⁶³

- 1 When submitting other reports to the FINMA, banks shall also inform the FINMA of the following totals:
 - a.⁶⁴ the deposits disclosed in the balance sheet items as at the close of the financial year as per Annex 1 Sections 2.3 and 2.7 BO⁶⁵;
 - b. deposits in accordance with (a) which are privileged as per Article 37a of the Banking Act;
 - c. deposits in accordance with (b), which are insured as per Article 37h of the Banking Act.
- 2 Based on the amounts reported according to (1)(c), FINMA shall determine the bank's maximum share in the deposit protection scheme as per Article 37h(3)(b) of the Banking Act and inform each bank of this share accordingly.
- 3 When calculating the LCR, banks shall include their share in the maximum amount as "undrawn committed credit or liquidity facilities provided to the Swiss deposit protection scheme" as per Annex 2 Sect. 8.1.5.
- 4 Exceptionally, FINMA may require certain banks to appropriately disclose the amount reported as per (1)(c) in a suitable form if this is deemed necessary to protect the non-privileged deposit holders.

Section 4:⁶⁶ Monitoring metrics

ARTICLE 18a

In addition to the information on the LCR and the NSFR, FINMA may also collect information on other monitoring metrics at the level of the financial group and stand-alone institution, taking into account the size as well as the type, scope, complexity and riskiness of a bank's business activities, provided that they are necessary for the implementation of this Ordinance.

⁶³ Version according to Section I of the Ordinance of 25 June 2014, in force since 1 January 2015 (AS **2014** 2321).

⁶⁴ Version according to Section I of the Ordinance of 22 November 2017, in force since 1 January 2018 (AS **2017** 7635).

⁶⁵ SR **952.02**

⁶⁶ Inserted by Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

Section 5:⁶⁷ Tasks of the audit firm

ARTICLE 18b

- 1 In keeping with audit guidelines, the audit firm shall check whether:
 - a. the qualitative and quantitative requirements that apply under this Ordinance as well as the implementation provisions of FINMA have been met; and
 - b. the information on the liquidity report, the funding statement, and if requested by FINMA, the monitoring metrics are correct.
- 2 It shall confirm its audit results.

Chapter 4: Special provisions for systemically important banks

Section 1: General aspects

ARTICLE 19 Special liquidity requirements

- 1 Systemically important banks must fulfill special liquidity requirements in addition to the requirements of Chapter 3 to cover liquidity risks that are not or not sufficiently covered by the LCR.
- 2 The special liquidity requirements include:
 - a. the basic requirements;
 - b. FINMA's institution-specific additional requirements.

ARTICLE 20⁶⁸ Scope of consolidation

- 1 The special liquidity requirements shall be fulfilled at the level of financial groups, at the level of every stand-alone institution licensed in accordance with the Banking Act and at the level of every securities firm licensed under the FinIA by:
 - a. entities that carry out system-relevant functions;
 - b. the top-level entity in a financial group if one of the entities within the consolidated companies holds a function in accordance with (a);
 - c. entities heading important financial sub-groups, if one of the entities within the consolidated companies holds a function in accordance with (a); and

⁶⁷ Inserted by Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

⁶⁸ Version according to Section I of the Ordinance of 3 June 2022, in force since 1 July 2022 (AS **2022** 359).

- d. entities that are important to the financial group because of their central function or their relative size.
- 2 FINMA may make an exception for entities whose direct share in the domestic systemically important functions of the consolidated group does not exceed a total of five percent or whose importance for the continuance of the consolidated group's domestic systemically important functions is otherwise low.

ARTICLE 20a⁶⁹ Eligible assets

- 1 HQLA that are eligible for meeting the special liquidity requirements:
- a. are not part of HQLA holdings needed to meet the LCR requirements; and
 - b. can be disposed of by the bank at any time over a time horizon of 90 calendar days (90-day horizon).
- 2 With regard to the eligibility of Category 2a and 2b assets, the limits specified in Article 15c(1)(b) and (c) shall apply. In individual cases, FINMA may determine that these assets may also be eligible in excess of these limits. In its decision, it shall take into account the risk arising from the fact that these assets may not be readily marketable.
- 3 An explicit cantonal state guarantee or a similar mechanism is counted towards fulfilling the special liquidity requirements if the guarantee or mechanism:
- a. is taken into account in accordance with Article 132a CAO⁷⁰ to fulfill the requirements for the additional loss-absorbing funds; and
 - b. leads to an eligible inflow of liquidity within a short period of time in the event of a crisis; FINMA will decide on a case-by-case basis whether this prerequisite is met.
- 4 Out of the sum as calculated below, 30 percent is eligible as assets, provided that the sum is positive:
- a. Mortgage receivables that the bank holds as collateral for drawing extraordinary liquidity assistance from the SNB and that meet the SNB's requirements for such collateral;
 - b. less any haircuts on the mortgage receivables specified by the SNB pursuant to letter (a);
 - c. less five percent of the bank's total exposure pursuant to Article 46(2) CAO.
- 5 HQLA that are not eligible under Article 15c(8) and other HQLA under (1) and (2) of this Article held by a branch or consolidated entity to meet local liquidity requirements may be included in the bank's holdings of eligible assets to the extent that such branch or entity contributes to the bank's liquidity needs arising from the special liquidity requirements.

⁶⁹ Inserted with Section I of the Ordinance of 3 June 2022, in force since 1 July 2022 (AS **2022** 359).

⁷⁰ SR **952.03**

6 Eligible assets may not simultaneously be included as cash inflows.

ARTICLE 20b⁷¹ Fulfillment of the special liquidity requirements

- 1 The bank meets the requirements set out in this chapter if:
 - a. the daily average of eligible assets for the rolling three-month period ending on the effective date is at all times at least equal to the daily average of the liquidity needs for that period resulting from the special liquidity requirements; and
 - b. the eligible assets correspond to at least 80 percent of the liquidity requirement resulting from the specific liquidity requirements at all times.
- 2 The bank must meet the requirements across all currencies converted into Swiss francs.

Section 2:⁷² Basic requirements

ARTICLE 21 Requirements and duties

Basic requirements include requirements regarding liquidity needs arising from:

- a. Risks from the renewal of loans;
- b. Risks from an accumulating outflow of funds immediately after calendar day 31 (cliff risks) and a stress scenario with a 90-day horizon.

ARTICLE 22 Liquidity requirements due to risks from the renewal of loans

Systemically important banks must hold sufficient eligible assets for the first 30 calendar days of the 90-day horizon to cover the liquidity need due to risks from the renewal of loans. For the calculation of liquidity needs, the inflow rate under 5.1 and 5.2 of Annex 3 is reduced to 25 percent.

ARTICLE 23 Liquidity requirements due to cliff risks and a stress scenario with a 90-day horizon

- 1 Systemically important banks must hold sufficient eligible assets to cover the net outflows of cash that are to be expected for the following positions:
 - a. Demand and term deposits with a remaining maturity or notice period of up to 30 calendar days that are not withdrawn in the first 30 calendar days;
 - b. Positions with a residual term to maturity or notice period of 31 to 90 calendar days.

⁷¹ Inserted with Section I of the Ordinance of 3 June 2022, in force since 1 July 2022 (AS **2022** 359).

⁷² Version according to Section I of the Ordinance of 3 June 2022, in force since 1 July 2022 (AS **2022** 359).

- 2 For positions pursuant to (1)(a), the cash outflows for calendar days 31-90 shall be calculated as follows:
 - a. For the outflow categories 1.1, 1.2 and 2.1 according to Annex 2, an additional outflow equal to 5 percent of the volume computed for the LCR shall be calculated.
 - b. For outflow categories 2.2 and 2.4 according to Annex 2, an additional outflow amounting to 17 percent of the volume computed for the LCR must be calculated.
- 3 For positions pursuant to (1)(b), for calendar days 31-90 the net cash outflows shall be calculated. The positions shall be weighted according to their outflow or inflow category with the relevant outflow and inflow rates according to Annexes 6 and 7.

ARTICLE 24 Consideration of liquidity-generating measures

For the purpose of fulfilling the requirements according to Article 23, the securities listed in Annex 8 may be counted at their current market value, reduced by the applicable haircut, provided that they are marketable and freely available. Eligibility is possible up to a limit of 30 percent of the sum of net cash outflows under Article 23(2) and (3).

Section 2a: Institution-specific additional requirements

ARTICLE 25⁷³ Add-ons and deductions

- 1 For liquidity risks that are not or not sufficiently covered by Chapter 3 or Articles 21-23, FINMA may specify institution-specific surcharges on quantified liquidity requirements in line with the respective risks. In particular, this applies to liquidity risks arising from the following circumstances:
 - a. Intraday liquidity requirements;
 - b. initial margin payments (initial margins);
 - c. margin requirements for securities financing transactions traded over the counter and cleared through central counterparties;
 - d. buyback of own debt instruments (debt buy-back);
 - e. substantial financing of a group company by subsidiaries;
 - f. non-risk-proportionate liquidity distribution within the financial group;
 - g. liquidity requirements for a possible reorganization or liquidation;
 - h. insufficient risk management with respect to liquidity.

⁷³ Version according to Section I of the Ordinance of 3 June 2022, in force since 1 July 2022 (AS 2022 359).

- 2 Systemically important banks may apply to FINMA for further liquidity-generating measures to be taken into account in addition to Article 24 and for the resulting liquidity to be counted in the form of deductions.
- 3 Deductions may not be higher than the add-ons. They cannot be applied to liquidity risk as defined in (1)(a).

ARTICLE 25a⁷⁴ Procedure for determining add-ons and deductions

- 1 When determining the add-ons, FINMA will take into account estimates of the liquidity risk of the systemically important banks in accordance with Article 25(1).
- 2 Banks applying to FINMA for deductions must demonstrate the feasibility of the liquidity-generating measures, in particular in the event of a crisis that may lead a bank into a risk of insolvency according to Article 25 of the Banking Act.
- 3 Banks shall regularly submit to FINMA the documentation needed to assess liquidity risks as per Article 25(1). FINMA shall determine the frequency of submission. Updates must be submitted also outside of this set frequency if circumstances require a revision or if FINMA demands it.

Section 3: Other requirements

ARTICLE 26⁷⁵ Falling short of the special liquidity requirements

- 1 A shortfall below the special liquidity requirements is permissible under exceptional circumstances. If such a shortfall occurs or becomes apparent, banks must report this to FINMA without delay.
- 2 In the event of a shortfall, the bank must indicate the measures that will be taken and the period within which the special liquidity requirements will be fulfilled again. FINMA shall approve this deadline. If the bank fails to fulfill the special liquidity requirements once this deadline has passed, FINMA may order the necessary measures.

ARTICLE 27⁷⁶

ARTICLE 28⁷⁷ Reporting duties

- 1 Systemically important banks must report their liquidity situation on a monthly basis in accordance with this chapter. To this end, they shall submit to the SNB information on the liquidity situation of the entities in accordance with Article 20 within 15 calendar days of the last calendar day of each month.
- 2 FINMA shall provide a relevant reporting form.

⁷⁴ Inserted with Section I of the Ordinance of 3 June 2022, in force since 1 July 2022 (AS **2022** 359).

⁷⁵ Version according to Section I of the Ordinance of 3 June 2022, in force since 1 July 2022 (AS **2022** 359).

⁷⁶ Repealed by Section I of the Ordinance of 3 June 2022, with effect from 1 July 2022 (AS **2022** 359).

⁷⁷ Version according to Section I of the Ordinance of 3 June 2022, in force since 1 July 2022 (AS **2022** 359).

ARTICLE 28a⁷⁸

ARTICLE 29 The audit firm's responsibilities

The audit firm shall confirm the reporting and compliance concerning the quantitative liquidity requirements for systemically important banks, as defined in the audit standards.

Chapter 5: Involving the SNB

ARTICLE 30

FINMA shall enlist the SNB's consultative support to enforce this Ordinance.

Chapter 6: Transitional and Final Provisions

ARTICLE 31⁷⁹

ARTICLE 31a⁸⁰

ARTICLE 31b⁸¹ Transitional provisions for the amendment of 11 September 2020

The Swiss Federal Department of Finance shall review Articles 17h(3), 17p(2)(b) and the RSF factors in accordance with Annex 5 Sections 2 and 3.4 how they compare and to what extent they have been implemented in the jurisdictions of other important financial centers abroad. It shall report its findings to the Swiss Federal Council as soon as it has tangible results but at the latest by June 2022 and suggest any regulatory adjustments that might be necessary.

ARTICLE 31c⁸² Transitional provisions to the amendments of 3 June 2022

- 1 The requirements under Chapter 4 as amended on 3 June 2022 shall be fulfilled no later than eighteen months after the amendment of 3 June 2022 enters into force. Until such time as these requirements are fulfilled, the liquidity requirements set by FINMA within the scope of its supervision shall apply.
- 2 The reporting duties in accordance with Article 28 shall commence three months after the amendment of 3 June 2022 enters into force.
- 3 No later than three years after expiry of the transitional period as per (1), the Federal Department of

⁷⁸ Inserted with Section 1 of the Ordinance of 22 November 2017 (AS **2017** 7635). Repealed by Section I of the Ordinance of 3 June 2022, with effect from 1 July 2022 (AS **2022** 359).

⁷⁹ Repealed by Section I of the Ordinance of 3 June 2022, with effect from 1 July 2022 (AS **2022** 359).

⁸⁰ Inserted by Section I of the Ordinance of 25 June 2014 (AS **2014** 2321). Repealed by Section I of the Ordinance of 3 June 2022, with effect from 1 July 2022 (AS **2022** 359).

⁸¹ Inserted by Section I of the Ordinance of 11 September 2020, in force since 1 July 2021 (AS **2020** 3921).

⁸² Inserted with Section I of the Ordinance of 3 June 2022, in force since 1 July 2022 (AS **2022** 359).

Finance shall examine whether the provisions of the amendment of 3 June 2022 meet the purpose pursuant to Article 7(2) of the Banking Act and the special requirements pursuant to Article 9 of the Banking Act. It shall report its findings to the Swiss Federal Council and suggest any regulatory adjustments that might be necessary.

ARTICLE 32 Amendments to the Previous Law

...⁸³

ARTICLE 33 Entry into force

- 1 This Ordinance shall enter into force on 1 January 2013, with the exception of (2) and (3).
- 2 For banks that are not systemically relevant, the provisions of Articles 5–10 shall enter into force on 1 January 2014.
- 3 The provisions of Chapter IV shall enter into force on the fifteenth day of the month following the approval by the Swiss Federal Assembly.

⁸³ Amendments may be seen in AS **2012** 7251.

Annex 1⁸⁴ (Articles 15a(2)(c) and 15b(2)(b))

Financial institutions

- A. Companies providing one or several of the following services shall be considered to be financial institutions:
1. Insurance services and insurance-related services
 - 1.1 Direct insurance companies, including co-insurance companies
 - 1.1.1 Life insurance
 - 1.1.2 Non-life insurance
 - 1.2 Reinsurance and retrocession
 2. Banking and other financial services
 - 2.1 Acceptance of deposits and other repayable funds from clients
 - 2.2 Granting of loans of all types, including consumer credits, mortgage loans, factoring and financing of commercial transactions
 - 2.3 Finance leases
 - 2.4 Any payments and transfer services, including credit cards, charge cards, debit cards, travelers' checks and bank checks
 - 2.5 Guarantees and credit commitments
 - 2.6 Proprietary trading or trading on behalf of clients at stock exchanges, OTC markets or in another form using:
 - 2.6.1 Money market instruments (including checks, bills of exchange, certificate of deposits)
 - 2.6.2 Foreign currencies
 - 2.6.3 Derivatives, including futures and options
 - 2.6.4 Exchange rate and interest-rate instruments, including swaps and forward rate agreements
 - 2.6.5 Transferable securities
 - 2.6.6 Other tradable instruments and financial investments, including precious metals
 - 2.7 Participations in issuances of all types of securities and provision of services related to such issuance;
 - 2.8 Activities as financial broker
 - 2.9 Safekeeping and administration of securities; or
 - 2.10 Private equity and similar vehicles aiming at the acquisition of equity interests.
- B. Holding structures consolidating service providers listed under (A) are also considered to be financial institutions.
- C. Financing subsidiaries of non-financial corporates that do not have a banking license and which provide one or several services listed above exclusively for their own corporate group companies are not considered to be financial institutions.

⁸⁴ Inserted with Section II of the Ordinance of 25 June 2014, in force since 1 Jan. 2015 (AS **2014** 2321).

Annex 2⁸⁵ (Article 16(3))

Cash outflows and outflow rates

	Outflow category	Outflow rate (in percent)
1.	Retail deposits	
1.1	Retail deposits include all demand and term deposits with a remaining maturity or cancellation period of up to 30 calendar days. Term deposits with a remaining maturity of more than 30 calendar days do not have to be considered.	
1.1.1	Stable deposits	5
1.1.2	Less stable deposits	10
1.2	Demand and term deposits provided by retail customers with deposits greater than CHF 1.5m. These include all demand and term deposits with a remaining maturity or cancellation periods of up to 30 calendar days	20
2.	Unsecured funding provided by corporate or wholesale clients	
2.1	Demand and term deposits provided by small business customers with a remaining maturity or cancellation period of up to 30 calendar days	
2.1.1	Stable deposits	5
2.1.2	Less stable deposits	10
2.2	Operational deposits generated by clearing, custody and cash management activities	
2.2.1	Operational deposits provided by all counterparties fully covered by the deposit insurance scheme	5
2.2.2	Operational deposits provided by all counterparties not fully covered by the deposit insurance scheme	25
2.3	Eligible deposits with the central institution by members of a financial group	25
2.4	Deposits of non-financial corporates, sovereigns, central banks, subordinated local authorities and other public sector entities and multilateral development banks, if:	
2.4.1	the entire amount is fully covered by an effective deposit insurance scheme	20
2.4.2	not the entire amount is fully covered by an effective deposit insurance scheme	40
2.4.3	These were invested by vested benefits foundations, bank foundations or investment foundations which bundle deposits from vested benefit accounts and	40

⁸⁵ Version according to Section II of the Ordinance of 25 June 2014 (AS 2014 2321). Adjusted in accordance with Section II of the Ordinance of 22 November 2017 (AS 2017 7635) and Section II(1) of the Ordinance of 11 September 2020, in effect since 1 July 2021 (AS 2020 3921).

Outflow category	Outflow rate (in percent)
2.5 Demand and term deposits provided by financial institutions as per Annex 1, including affiliated entities, by all other legal entities and business clients, such as pension funds, with a remaining maturity or cancellation period of up to 30 calendar	100
2.6 Unsecured debt instruments	100
2.7 Additional balances required for central bank reserves	100
3. Secured transactions and collateral swaps maturing within 30 calendar days and where the collateral is not used to cover short positions	
3.1 Secured funding transactions conducted with the SNB backed by Category 2b assets or non-HQLA and collateral swaps where assets of the same category are exchanged and which are not unwound/settled	0
3.2 Secured funding transactions backed by Category 2b assets or non-HQLA conducted with: <ul style="list-style-type: none"> – the domestic sovereign or multilateral development banks; or – domestic, subordinated local authorities or other public-law entities risk-weighted at a maximum of 20 percent 	25
3.3 Collateral swaps which include the exchange of Category 2b assets against Category 2a assets	35
3.4 Secured funding transactions backed by Category 2b assets not conducted with the domestic sovereign, multilateral development banks or domestic, public sector entities as counterparty risk-weighted at 20 percent	50
3.5 Collateral swaps which include the exchange of Category 2b assets against Category 1 assets or non-HQLA against Category 2b assets	50
3.6 Collateral swaps which include the exchange of non-HQLA assets against assets in Category 2a	85
3.7 All other secured financing transactions backed by non-HQLA and collateral swaps which include the exchange of non-HQLA against Category 1 assets	100
4. Collateral swaps if collateral is used to cover short positions	
4.1 Collateral swaps which include the exchange of assets of the same category	0
4.2 Collateral swaps which include the exchange of Category 2a assets against Category 1 assets	15
4.3 Collateral swaps which include the exchange of Category 2b assets against Category 2a assets	35
4.4 Collateral swaps which include the exchange of Category 2b assets against Category 1 assets or non-HQLA against Category 2b assets	50
4.5 Collateral swaps which include the exchange of non-HQLA assets against Category 2a assets	85

	Outflow category	Outflow rate (in percent)
4.6	Collateral swaps which include the exchange of non-HQLA assets against Category 1 assets	100
5.	Derivative and other transactions	
5.1	Net cash outflow from derivative transactions	100
5.2	Increased liquidity requirements due to downgrade triggers in derivatives, financing transactions and other transactions	100
5.3	Increased liquidity requirements due to excess collateral held by the bank that could contractually be called at any time by the counterparty	100
5.4	Increased liquidity requirements due to collateral for derivative and other transactions contractually owed by the bank subject to notification duties	100
5.5	Increased liquidity requirements due to derivative and other transactions, which allow a substitution of collateral by the counterparty with non-HQLA assets	100
5.6	Need for increased liquidity due to market value changes in derivative transactions and other transactions	100 percent of the largest absolute net cash flow of collateral within 30 calendar days in the last 24 months or 100 percent based on the internal model approach
5.7	Increased liquidity requirements due to changes in the value of posted collateral securing derivative and other transactions which are not Category 1 assets	20
6.	Loss of funding on asset-backed securities (ABS), covered bonds and other structured financing instruments (applicable to all debt maturing and assets returned within 30 calendar days)	100
7.	Loss of funding on asset-backed commercial papers (ABCP), special purpose entities (conduits), securities investment vehicles and other similar financing facilities	
7.1	Debt maturing within 30 calendar days	100
7.2	Other potential loss of such funding	100
7.3	Embedded options in financing agreements that allow for the return of assets or potential liquidity support within 30 calendar days	100
8.	Credit and liquidity facilities	
8.1	Non-used part of conditionally revocable and irrevocable credit and liquidity facilities as well as synthetically constructed, comparable transactions:	
8.1.1	to retail and small business customers	5

Outflow category	Outflow rate (in percent)
8.1.2 to non-financial corporates, sovereigns, central banks, subordinated local authorities and other public sector entities and multilateral development banks	
8.1.2.1 Credit facilities	10
8.1.2.2 Liquidity facilities	30
8.1.3 to banks subject to FINMA supervision or a foreign LCR regime	40
8.1.4 to all other types of financial institutions as per Annex 1 (including foreign banks if these are not subject to a foreign LCR regime, securities firms, insurance companies, fiduciaries and beneficiaries)	
8.1.4.1 Credit facilities	40
8.1.4.2 Liquidity facilities	100
8.1.5 to the Swiss deposit protection scheme	50
8.1.6 to all other legal entities and business clients, including companies associated with financial institutions	100
8.2 Commitments arising from unconditionally revocable, undrawn and not firmly committed credit and liquidity facilities	0
9. Other contingent funding obligations related to the making available of funds such as guarantees and letters of credit	
9.1 Trade financing (historical approach)	100 percent of the average net cash outflow across the entire portfolio over 30 calendar days within the last 24 months or 5 percent of the outstanding nominal amount
9.2 Guarantees and letters of credit not connected to trade-financing (historical approach)	100 percent of the average net cash outflow across the entire portfolio over 30 calendar days within the last 24 months or 5 percent of the outstanding nominal amount
9.3 Non-contractual obligations, such as:	
9.3.1 Potential liquidity draws from joint ventures or minority investments in companies	0
9.3.2 Potential requests for debt repurchases for the bank's own debt securities	0

Outflow category	Outflow rate (in percent)
9.3.3 Potential requests to repurchase debt securities of special purpose entities affiliated with the bank, securities financing vehicles, and of similar financing facilities that transfer liquidity risk to the bank due to their structuring	20 percent of the amount due in financing after 30 calendar days
9.3.4 Structured products as well as synthetic and comparable products with special liquidity requirements, in particular products for which the bank pledges to ensure ready marketability. Products which do not generate any funding and which can be unwound in a liquidity-neutral way are excluded	5 percent of the issue volume
9.3.5 Managed money market funds that are marketed with the objective of maintaining a stable value, such as Constant-Net-Asset-Value money market funds	5 percent of the issue volume
9.3.6 Other non-contractual obligations	0
10. Potential requests for repurchases of the bank's own debt with remaining maturities of more than 30 days using affiliated securities dealers or market makers	0
11. Clients' short positions, covered by collateral of other clients, which are not HQLA	50
12. The bank's short positions covered by secured financial transactions	0
13. Other contractual cash outflows within 30 days (such as outflows to cover unsecured collateral borrowing, uncovered short positions, dividends or contractual interest payments)	100
14. Contractual obligations to roll over lendings that have not yet been covered in other outflow categories:	
14.1 provided to retail customers, small business customers, non-financial corporates and other clients, including affiliated entities	100 percent if the difference between the outflows in accordance with 14.1 and half of the inflows in accordance with Annex 3, Section 5.1 and 5.2 is positive. 0 percent if the difference between the outflows and half of the inflows in accordance with Annex 3, Section 5.1 and 5.2 is negative.
14.2 Provided to financial institutions	100
15. Group-internal cash outflows (only on stand-alone legal entity level)	100

Annex 3⁸⁶ (Article 16(5))

Cash inflows and inflow rates

	Inflow categories	Inflow rate (In percent)
1.	Secured lending transactions and collateral swaps maturing within 30 calendar days backed by collateral stated in Sect. 1.1-1.6 if this collateral is not used to cover short positions	
1.1	Collateral swaps that include the exchange of assets of the same category and which are not unwound/settled	0
1.2	Collateral swaps which include the exchange of Category 2a assets against Category 2b assets	35
1.3	Secured financing transactions backed by Category 2b assets and collateral swaps which include the exchange of Category 1 assets against Category 2b assets or Category 2b assets against non-HQLA	50
1.4	Margin lending backed by non-HQLA	50
1.5	Collateral swaps which include the exchange of assets in Category 2a against non-HQLA assets	85
1.6	All other secured financing transactions backed by non-HQLA and collateral swaps which include the exchange of Category 1 assets against non-HQLA assets	100
2.	Secured financing transactions, margin lending and collateral swaps maturing within 30 calendar days if this collateral is used to cover short positions	0
3.	Credit and liquidity facilities granted to the reporting bank	0
4.	Operational deposits with other financial institutions, including deposits with the central institution of a financial network	0
5.	Other inflows by counterparty	
5.1	Contractual receivables from retail customers and small business customers	50
5.2	Contractual receivables from non-financial corporates and all other legal entities from transactions other than those listed in the inflow categories above	50
5.3	Contractual receivables from financial institutions and central banks from transactions other than those listed in the inflow categories above	100
6.	Other contractual cash inflows within 30 calendar days	
6.1	Net cash inflows from derivative transactions	100

⁸⁶ Version according to Section II of the Ordinance of 25 June 2014 (AS 2014 2321). Adjusted in accordance with Section II of the Ordinance of 22 November 2017 (AS 2017 7635) and Section II(1) of the Ordinance of 11 September 2020, in effect since 1 July 2021 (AS 2020 3921).

Inflow categories	Inflow rate (In percent)
6.2 Contractual inflows from securities maturing within 30 calendar days which are not HQLA and which have not been considered elsewhere already	100
6.3 Contractually agreed, irrevocable cash inflows within 30 calendar days not included anywhere above	100
7. Intragroup cash inflows within 30 calendar days (stand-alone institutions only)	100

Annex 4⁸⁷ (Article 17k)

Weighting factors of available stable financing (ASF)

	ASF categories	Weighting factor (in percent)
1.1	Overall sum of CET1 and additional Tier 1 capital as well as Tier 2 capital in keeping with eligible capital pursuant to Articles 21–30 CAO ⁸⁸ , before applying the corrections pursuant to Articles 31–40 CAO and excluding the portion of Tier 2 capital instruments whose maturity is less than one year	100
1.2	Capital instruments that do not fall in ASF category 1.1 with an actual residual maturity corresponding to the provisions of Article 17I of a year or more	100
1.3	Liabilities including term deposits as well as secured and unsecured and unsecured loans with an actual residual maturity of one year or more	100
1.4	Deferred tax liabilities, if the next possible date on which such a liability could mature is one year or more in the future.	100
1.5	Instruments from minority interests with an effective residual maturity of one year or more	100
2	Stable sight deposits and term deposits of retail customers as well as small business customers with a residual maturity of less than one year	95
3	Less stable sight deposits and term deposits of retail customers as well as small business customers with a residual maturity of less than one year	90
4	Deposits of banks from a cooperative financial association held with their central institution, which arise as a result of the joint fulfillment of tasks and legal, statutory or contractual conditions	85
5.1	Deposits of central governments, dependent local authorities and other public sector entities, multilateral development banks, national development banks, as well as non-financial corporates and unsecured and secured borrowings with these institutions, with a residual maturity of less than one year	50
5.2	Operational deposits	50
5.3	All other deposits as well as unsecured and secured borrowings that are not contained in the above-mentioned ASF categories, with a residual maturity of at least six months and less than one year, including the deposits of central banks and financial institutions and borrowings with the same	50

⁸⁷ Inserted by Section 2 of the Ordinance of **11 September 2020**, in force since 1 July 2021 (AS **2020** 3921).

⁸⁸ SR **952.03**

	ASF categories	Weighting factor (in percent)
5.4	Deferred tax liabilities, if the next possible date on which such a liability could mature is at least six months and less than one year in the future	50
5.5	Instruments from minority interests with an effective residual maturity of at least six months and less than one year	50
6.1	All liabilities and capital instruments that are not contained in the above-mentioned ASF categories, including deposits of central banks and financial institutions, as well as unsecured and secured borrowings with the same, with a residual maturity of less than six months	0
6.2	Liabilities without a fixed term, including deferred tax liabilities, if the next possible date on which such a liability could mature lies less than six months in the future, and instruments from minority interests with an actual residual maturity of less than six months	0
6.3	Liabilities from derivative transactions pursuant to Article 17j(1) and (4) minus receivables from derivative transactions pursuant to Article 17j(2) and (5), if the liabilities from derivatives transactions are greater than the receivables from derivative transactions	0
6.4	Liabilities from the purchase of financial instruments, currencies and commodities booked according to the trade date accounting principle ("trade date payables"): a. that will be met within the standard fulfillment period or within the ordinary market timeframe for the transaction in question or b. in the case of non-fulfillment, it is expected that fulfillment will occur nonetheless.	0
6.5	In the case of liabilities from derivative transactions, the collateral received from initial margin and variation margin payments that may not be netted with receivables from derivative transactions	0
6.6	Liabilities that depend on receivables pursuant to Article 17p	0

Annex 5⁸⁹ (Article 17m)

Weighting factors of required stable financing (RSF)

	RSF categories	Weighting factor (in %)
1.1	Immediately available coins and banknotes	0
	Central bank credit balances, including:	
1.2	a. the minimum reserve, if the regulations of the central bank in question do not require holding these over a longer period;	0
	b. the excess reserve; and	
	c. sight deposit account balances with the central bank that result from repo transactions.	
1.3	All other receivables from central banks with a residual maturity of less than six months, particularly receivables from debt instruments issued by central banks	0
	Trade date receivables resulting from the sale of financial instruments, currencies, and commodities:	
1.4	a. that will be met within the standard fulfillment period or within the ordinary market timeframe for the transaction in question or	0
	b. in the case of non-fulfillment, it is expected that fulfillment will occur nonetheless.	
1.5	Receivables that are dependent upon liabilities pursuant to Article 17p	0
1.6	Unencumbered Category 1 assets pursuant to Article 15, as long as they do not fall under RSF categories 1.1– 1.3	0
1.7	Category 1 assets encumbered for less than six months pursuant to Article 15a	0
1.8	Encumbered Category 1 assets pursuant to Article 15a in connection with liquidity-providing operations of central banks (from the central bank's perspective)	0
1.9	Unconditionally revocable credit and liquidity facilities for all clients	0
2	Unencumbered deposits and deposits encumbered for less than six months with financial institutions as well as loans to the same with a residual maturity of less than six months, except for RSF category 3.4, if:	10
	a. Deposits and loans secured with Category 1 assets pursuant to Article 15a or Category 2a assets pursuant to Article 15b, and	
	b. the bank is free to repledge the collateral received throughout the entire term of the deposit or loan (rehypothecation).	
3.1	Unencumbered Category 2a assets pursuant to Article 15b(1)-(4)	15
3.2	Category 2a assets encumbered for less than six months pursuant to Article 15b(1)-(4)	15

⁸⁹ Inserted by Section 2 of the Ordinance of **11 September 2020**, in force since 1 July 2021 (AS **2020** 3921).

	RSF categories	Weighting factor (in %)
3.3	Encumbered Category 2 assets pursuant to Article 15b in connection with liquidity-providing operations of central banks (from the central bank's perspective)	15
3.4	All other unencumbered deposits and deposits encumbered for less than six months with financial institutions as well as loans to the same with a residual maturity of less than six months, which do not fall under RSF Category 2 and except for RSF categories 4.4 and 6.6	15
4.1	Unencumbered assets and assets of Category 2b encumbered for less than six months pursuant to Article 15b(5) and (6)	50
4.2	Assets that are encumbered for at least six months and less than one year and would be assigned an RSF factor of 50% or less had they been unencumbered	50
4.3	All deposits with financial institutions and loans to the same as well as receivables from central banks with a residual maturity of at least six months and less than one year	50
4.4	Operational deposits with other financial institutions to which an ASF factor of 50% pursuant to Category 5.2 ASF is applied	50
4.5	All other assets with a residual maturity of less than a year, which are unencumbered or encumbered for less than a year.	50
5.1	Unencumbered mortgage claims for residential properties with a residual maturity of one year or more and a risk weighting of 35% or less pursuant to the Basel II standard approach for credit risks	65
5.2	All other unencumbered deposits and loans: <ol style="list-style-type: none"> with a residual maturity of one year or more; with a risk weighting of 35% or less pursuant to the Basel II standard approach for credit risks; that do not fall under RSF categories 2, 3.4, 4.3, or 4.4; and that do not constitute deposits with financial institutions or loans to the same. 	65
5.3	Assets that are encumbered for less than one year and would be assigned an RSF categories 5.1 and 5.2 had they been unencumbered	65
6.1	Initial margins for derivatives transactions paid in the form of cash, securities, or other assets, and amounts paid in the form of cash or other assets to the default fund of a central counterparty, unless the initial margin payments for derivatives transactions in the form of securities or other assets receive a higher RSF factor. In the latter case, the higher RSF factor is applied	85
6.2	Other unencumbered, non-distressed deposits and loans with a risk weighting of more than 35% pursuant to the Basel II standard approach for credit risks and with a residual maturity of one year or more, excluding deposits with financial institutions and loans to the same	85

	RSF categories	Weighting factor (in %)
6.3	Unencumbered, non-defaulted securities that are not eligible as HQLA with a minimum residual maturity of at least one year, including exchange-traded equities, if these do not fall under RSF Category 4.1	85
6.4	Physically traded commodities, including precious metals	85
6.5	Assets that are encumbered for less than one year and would be assigned an RSF categories 6.1–6.4 had they been unencumbered	85
6.6	Loans of banks from a cooperative financial association to their central institution, which arise as a result of the joint fulfillment of tasks and legal, statutory or contractual conditions.	85
7.1	All assets encumbered for one year or more	100
7.2	Receivables from derivative transactions pursuant to Article 17j(3) and (5), minus liabilities from derivative transactions pursuant to Article 17j(1) and (4) if the receivables from derivative transactions are greater than the liabilities from derivative transactions	100
7.3	20% of the gross amount in liabilities arising from derivative transactions pursuant to Article 17j(1) before deducting the variation margin paid	100
7.4	All other assets not contained in the above-mentioned categories, specifically: <ul style="list-style-type: none"> a. distressed/non-performing deposits; b. deposits with financial institutions and loans to the same with a residual maturity of one year or more; c. equities exchanged over the counter (OTC); d. tangible fixed assets; e. positions that have to be deducted from eligible capital; f. retained receivables; g. insurance assets; h. investments in subsidiaries; i. defaulted securities 	100
7.5	Assets that are encumbered for less than one year and would be assigned an RSF categories 7.1–7.4 had they been unencumbered	100
8	Conditionally revocable and irrevocable credit and liquidity facilities for all clients	5% of the non-utilized portion
9.1	Contingent funding obligations in connection with trade financings	5% of the outstanding nominal amount
9.2	Contingent funding obligations from guarantees and commercial letters of credit that do not relate to trade financings	

Annex 6⁹⁰

(Article 23(3))

Outflows of cash and draw down rates at systemically important banks in the period from calendar day 31 to 90

	Outflow category	Outflow rate (in percent)
1	Retail deposits and deposits from small business customers:	
	– with a residual term to maturity or notice period of 31 to 60 calendar days	5
	– with a remaining term or period of notice of 61 to 90 calendar days	2,5
2	Deposits of non-financial institution, sovereigns, central banks, subordinated local authorities and other public sector entities and multilateral development banks, if:	
	– with a remaining term or period of notice of 31 to 60 calendar days	20
	– with a remaining term or period of notice of 61 to 90 calendar days	10
3	Deposits from financial institutions as defined in Annex 1, including their affiliated companies, from all other legal entities and business customers such as pension funds:	
	– with a remaining term or period of notice of 31 to 60 calendar days	75
	– with a remaining term or period of notice of 61 to 90 calendar days	50
4	Unsecured debt instruments	
	– with a remaining term or period of notice of 31 to 60 calendar days	100
	– with a remaining term or period of notice of 61 to 90 calendar days	50
5	All other secured financing transactions backed by non-HQLA and collateral swaps which include the exchange of non-HQLA against Category 1 assets with exception of transactions with the SNB:	
	– with a remaining term or period of notice of 31 to 60 calendar days	100
	– with a remaining term or period of notice of 61 to 90 calendar days	50

⁹⁰ Inserted with Section III of the ordinance of 3 June 2022, in force since 1 July 2022 (AS 2022 359).

Annex 7⁹¹

(Article 23(3))

Cash inflows and inflow rates at systemically important banks in the period from calendar day 31 to 90

Inflow categories	Inflow rate rate (in percent)
Secured financing transactions backed by non-HQLA and collateral swaps which include the exchange of Category 1 assets against non-HQLA assets:	
1 – with a remaining term or period of notice of 31 to 60 calendar days	100
– with a remaining term or period of notice of 61 to 90 calendar days	50
Receivables from financial institutions according to Annex 1 and central banks:	
2 – with a remaining term or period of notice of 31 to 60 calendar days	75
– with a remaining term or period of notice of 61 to 90 calendar days	50
Re-pledged Category 1 assets excluded from HQLA, where the re-pledging period has a residual maturity:	
3 – from 31 to 60 calendar days	100
– from 61 to 90 calendar days	50

⁹¹ Inserted with Section III of the ordinance of 3 June 2022, in force since 1 July 2022 (AS 2022 359).

Annex 8⁹²

(Article 24)

Eligible securities at systemically important banks

Securities	Value reduction (in percent)
1	
Securities that are claims on a central government, a central bank, a subordinate local authority with budgetary autonomy and the right to impose taxes, or any other public body, the Bank for International Settlements, the International Monetary Fund, the European Central Bank, the European Union or multilateral development banks, if these securities:	
– are not eligible as HQLA based on Article 15d	25
– are not eligible as HQLA for other reasons	60
2	
Corporate bonds, including money market papers, if these were issued by companies which are not deemed to be financial institutions as per Annex 1 either on their own or in connection with other entities, provided these instruments	
– are not eligible as HQLA based on Article 15d	25
– are not eligible as HQLA for other reasons	60
3	
covered bonds not issued by the bank itself or any of its affiliated entities as per Annex 1, provided these bonds:	
– are not eligible as HQLA based on Article 15d	25
– are not eligible as HQLA for other reasons	60
4	
Share, provided they:	
– are not eligible as HQLA based on Article 15d	60
– are not eligible as HQLA for other reasons	70

⁹² Inserted with Section III of the ordinance of 3 June 2022, in force since 1 July 2022 (AS 2022 359).

Contacts

Philipp Rickert

Partner, Head of Financial Services,
Member of the Executive Committee
Zurich
Tel. +41 58 249 42 13
prickert@kpmg.com

Helen Campbell

Partner, FS Transformation
Tel. +41 58 249 35 01
hcampbell@kpmg.com

Thomas Dorst

Partner, Assurance & Regulation
Tel. + 41 58 249 54 44
tdorst@kpmg.com

Nicolas Moser

Partner, Geneva Office
Tel. +41 58 249 37 87
nmoser@kpmg.com

www.kpmg.ch

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received, or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. The scope of any potential collaboration with audit clients is defined by regulatory requirements governing auditor independence.

© 2022 KPMG AG is a subsidiary of KPMG Holding AG, which is a member of the KPMG network of independent firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss legal entity. All rights reserved.