

National Bank Law (NBL)

Art. 1

¹ The exclusive right to issue bank notes is granted by the Confederation to a central bank, which shall exist under the names «Schweizerische Nationalbank», «Banque nationale suisse», «Banca nazionale svizzera», «Banca naziunala svizra».

² It shall be vested with the rights of a legal personality and shall be administered with the participation and under the supervision of the Confederation in compliance with the provisions of this law.

Art. 2

¹ The principal task of the National Bank is to regulate the country's money circulation, to facilitate payment transactions, and to pursue a credit and monetary policy serving the interests of the country as a whole. It shall advise the federal authorities in monetary matters.

² Before taking economic and monetary policy decisions of major importance the Federal Council and the National Bank shall inform each other of their intentions and co-ordinate their measures.

³ The National Bank shall carry out the tasks which the Confederation has assigned to it in the fields of payment transactions, coinage, administration of moneys and securities, investment of public funds, administration of the national debt and issue of bonds.

Art. 3

¹ The National Bank has its legal and administrative domicile in Berne, where the General Meeting of Shareholders and, as a rule, the meetings of the Bank Council and the Bank Committee shall take place.

² The seat of the Governing Board shall be in Zurich.

³ The Governing Board shall be divided into three departments. Two departments shall have their seat in Zurich and one in Berne.

Art. 4

¹ The operations of the National Bank shall be carried out in Berne and Zurich by its head offices, at the principal economic centres by branches, and elsewhere by agencies.

² Before establishing a branch or agency the Bank shall consult with the cantonal government concerned. In case of dissent between a canton and the National Bank, the Federal Council shall have the final decision.

³ A canton or half-canton that has no branch may request that an agency be established within its territory.

⁴ Upon request of the cantonal government the function of an agency shall be assigned to the cantonal bank.

Art. 5

¹ The capital of the National Bank amounts to 50 million Swiss francs. It is divided into 100,000 registered shares of 500 Swiss francs each.

² Half the capital is paid up. Payment of the remainder or of partial amounts shall be made following a decision of the Bank Council at a time announced by it six months in advance.

³ Shareholders who fail to make their payments on time shall pay default interest of 5 per cent. If, upon notification by registered mail that payment is due, they do not make such payment within a prescribed term, they may be declared to have forfeited their rights resulting from the possession or subscription of shares as well as from the partial payments which they have already made.

⁴ To replace shares cancelled in this manner new shares shall be issued.

Art. 6

¹ The capital of the National Bank may be increased by decision of the Shareholders' Meeting. The decision shall require the approval of the Federal Assembly, which shall furthermore decide the manner in which the new capital shall be raised.

² In allotting the shares the smaller subscriptions shall be considered first, so that each subscriber receives at least one share.

Art. 7

Only Swiss citizens, Swiss public law corporations as well as general and limited partnerships and legal entities whose main office is in Switzerland, shall be eligible to be entered in the share register or to subscribe for new shares.

Art. 8

¹ Shares shall be transferred by delivery of the duly endorsed share certificate.

² Each transfer of shares shall be subject to the approval of the Bank Committee. Unless at least six members of the Bank Committee approve the transfer, the decision shall rest with the Bank Council.

³ If approval is given, the Bank Committee shall have the transfer recorded on the share certificate and entered in the share register.

⁴ Upon being entered in the share register the transfer of a share shall become legally valid vis-à-vis the National Bank.

Art. 9

¹ The National Bank shall recognize as shareholders only persons listed in the share register; they alone shall have the right to vote.

² It shall recognize only one representative for each share.

Art. 10

Shares shall carry the facsimile signatures of the President of the Bank Council and the Chairman of the Governing Board and, furthermore, the handwritten signature of the responsible registrar of shares.

Art. 11

¹ Notifications to shareholders shall ensue by registered mail to the last address listed in the share register and shall be published in the *Official Swiss Commercial Gazette*.

² A single publication in the *Official Swiss Commercial Gazette* shall be sufficient to announce dividend payments.

³ Publication prescribed by law shall ensue in the *Official Swiss Commercial Gazette*. With respect to other announcements, the Bank Committee shall decide on the mode of publication.

Art. 12

¹ The National Bank is exempt from direct federal taxes.

² The National Bank shall not be subject to taxation by the cantons. Cantonal and communal transfer fees and other fees for special services by cantons and communes shall remain reserved.

Art. 13

The provisions of Title 26 of the Code of Obligations relating to joint stock companies shall apply to the National Bank in so far as the present law does not prescribe anything else.

Art. 14

The National Bank is empowered to engage in the following transactions:

1. Discounting Swiss bills and cheques bearing at least two signatures, each of which individually guarantees ability to pay, treasury bills of the Confederation, cantonal and communal treasury bills bearing the signature of a bank, Swiss debt certificates eligible as collateral and federal debt register claims. The maturities of discounted claims may not exceed six months.
2. Buying and selling of, as well as dealing under a repurchase agreement in, treasury bills and debt certificates of the Confederation as well as federal debt register claims, debt certificates of cantons and cantonal banks in terms of the Federal Law on Banks and Savings Banks, mortgage bonds of the Swiss central mortgage institutions, easily marketable bonds of other Swiss banks and of communes.
- 2^{bis} Issuing and repurchasing of, including dealing under a repurchase agreement in, its own interest-bearing debt certificates with a period to maturity not exceeding two years, in so far as this is necessary for the purposes of an open-market policy.
3. Buying and selling (cash or forward) of, as well as dealing under a repurchase agreement in, bills and cheques drawn on payees abroad bearing at least two signatures, each of which individually guarantees ability to pay, and with a maturity not exceeding six months, easily marketable debt certificates of foreign states, international organizations and foreign banks, other balances in foreign countries with a maturity not exceeding twelve months, derivatives (options, futures, forward rate agreements), in so far as these are designed to regulate market risks on debt certificates and balances in foreign countries;
4. Granting interest-bearing current-account advances at up to ten days' notice against security in the form of Swiss debt certificates, federal debt register claims, discountable bills and gold (advances against collateral). Shares and participations in cooperatives are not eligible as security for such advances.
5. Entering into time-limited discount and lombard commitments for claims and securities that are eligible for discount or as collateral according to points 1 and 4 above;
6. Accepting deposits on non-interest-bearing accounts; only the funds of the Confederation, of the Bank's staff, its welfare institutions as well as the income accruing from the management of securities for the account of third parties may be interest-bearing.
7. Carrying out giro, clearing and collection transactions;
8. Opening correspondent accounts with domestic and foreign banks; selling Swiss and foreign cheques;
9. Buying and selling of, as well as dealing under a repurchase agreement in, gold for its own account;
10. Buying and selling gold and silver for the account of third parties;
11. Issuing gold certificates;
12. Accepting in custody and managing securities and valuables, buying, selling and subscribing securities for the account of third parties;
13. Acting as a subscription agent for bond issues of the Confederation, the cantons, enterprises guaranteed by a canton and the central mortgage institutions, but excluding participation in the firm underwriting of bonds.
14. Buying and selling international payment instruments.

Art. 15

¹ The National Bank shall accept payments for the account of the Confederation and shall make payments on behalf of the Confederation up to the amount of the credit balance of the Confederation. It shall furthermore undertake the custody and management of securities and valuables entrusted to it by the federal offices. It shall maintain the federal debt register in the name and on behalf of the Confederation. The National Bank shall carry out its activities for the account of the Confederation free of charge.

² The National Bank shall participate in the investment of federal public funds, in the issuing of bonds of the Confederation and in the coin service.

Art. 16

¹ The National Bank shall regularly publish its discount and lombard rates.

² It shall publish returns showing its assets and liabilities on the 10th, 20th and last day of each month.

Art. 16a

¹ In order to adapt the money supply to the needs of a balanced economic development, the National Bank may oblige the banks to hold minimum reserves.

² Banks are considered to be all institutions subject to the Federal Law on Banks and Savings Banks.

³ Banks whose balance sheet total does not reach a certain amount may be dispensed from the obligation to hold minimum reserves.

Art. 16b

¹ Minimum reserves are non-interest-bearing balances which the banks have to hold with the National Bank and of which they may not dispose. These reserves shall not be included in the liquidity required by the Banking Law.

² The National Bank shall fix the reserves on the basis of the deposits held with the banks.

Art. 16c

¹ The minimum reserves shall be calculated on the basis of the level and the increase of the following items on the liabilities' side of the banks' balance sheets (deposits); the following percentages may not be exceeded:

	in perc ent of the level	of the increa se
Sight and time deposits of other banks in so far as the creditors do not themselves have to hold minimum reserves with the National Bank	12	40
Sight deposits	12	40
Time deposits	9	30
Savings deposits, balances on deposit books and investment savings books	2	5
Medium-term notes with a maturity of less than five years	2	5

² The minimum reserves calculated on the deposits of creditors domiciled or registered abroad may be raised up to double the maximum percentages fixed in the preceding paragraph.

³ Particular balance sheet items or certain parts thereof, especially foreign currency liabilities and deposits of creditors domiciled or registered abroad, may be charged with minimum reserves to varying degrees or dispensed therefrom.

⁴ The fiduciary liabilities of the banks shall be included when calculating the minimum reserves.

⁵ Minimum reserves may be levied at the same time on the level and the increase or only on the level or the increase.

⁶ The National Bank shall fix the key dates based on which the increase in deposits is calculated. A key date may not be more than three months prior to the date the minimum reserves are called in.

Art. 16d

¹ The National Bank may decide that banks' foreign balances in foreign currency and their increase are deductible from the foreign currency deposits of foreigners and their increase when calculating the minimum reserves.

² Deposits of creditors domiciled or registered in Switzerland shall also be deemed to be deposits of foreigners they are held for account of third parties domiciled or registered abroad.

Art. 16e

¹ The minimum reserves shall be recalculated periodically.

² The National Bank shall fix the time limits for drawing up the statements on the minimum reserves and for paying them in.

³ In order to avoid hardship in individual cases the National Bank may grant relief from the obligation to hold minimum reserves. Its decision shall be final.

Art. 16f

¹ If a bank does not hold the required amount of minimum reserves, the National Bank shall issue an order for payment of the shortfall and of penalty interest for the period from the due date to payment; this interest may not exceed the current lombard rate by more than 5 per cent.

² If special circumstances warrant it, the National Bank may, instead of ordering payment of the shortfall, charge interest at a rate not exceeding the current lombard rate by more than 6 per cent.

Art. 16g

¹ In order to avoid an excessive demand on the money and capital markets the Federal Council may declare subject to authorization the public issuing of domestic treasury bills and debt certificates of any kind, particularly of bonds and medium-term notes, as well as of shares, bonus shares and other similar paper.

² The National Bank shall fix the total amount of new issues which will be authorized during a certain period of time.

³ If in any particular case it is disputed that a new issue is subject to authorization, the National Bank shall pass a decision thereon.

Art. 16h

¹ A commission of nine to eleven members elected by the Federal Council shall, within the limits of the fixed total amount, decide upon each request. The commission shall be chaired by a member of the Governing Board of the National Bank.

² The commission shall take into account the differing degrees of economic development of the various regions of the country.

³ Its decision shall be final.

Art. 16i

¹ If the balanced economic development of the country is disturbed or threatened by an excessive inflow of funds from abroad, the Federal Council may:

1. limit or prohibit the paying of interest to persons domiciled or registered abroad on their deposits denominated in Swiss francs with domestic banks and order that commissions to be delivered to the Confederation must be levied on such deposits; these measures may be applied analogously to postal cheque accounts of persons domiciled or registered abroad;
2. limit forward foreign exchange transactions with persons domiciled or registered abroad;
3. limit or prohibit the acquisition of domestic securities by persons domiciled or registered abroad;
4. declare subject to authorization borrowing abroad by persons domiciled or registered within the country;

5. require domestic banks to balance their foreign currency positions;
6. restrict the importation of foreign bank notes;
7. authorize the National Bank to conclude forward foreign exchange transactions with a maturity of up to 24 months.

² The National Bank is competent to implement these measures. It shall issue the necessary implementing regulations.

³ The Federal Council may order that federal and cantonal offices participate in the supervision and the implementation.

Art. 16k

¹ Persons and companies subject to the provisions issued pursuant to sections IIa - IIc must supply all reports and information necessary for implementation to the National Bank and other competent government offices, put the adequate supporting documents at their disposal and let them check their correctness on the spot.

² The auditing firms required by the Banking Law shall, when auditing, check whether the provisions issued are being duly observed, particularly the correctness of the reports to the National Bank, and shall lay down their findings in the auditing report. The National Bank may give special auditing mandates to the auditing firms required by the Banking Law or, in special cases, also to other auditors. Whenever they ascertain infringements of the provisions issued or incorrect reports, they shall notify the National Bank and the Federal Banking Commission.

³ Whenever the National Bank gives an auditing mandate, it shall bear the cost. When an infringement of the provisions is ascertained, the National Bank shall have a right of recourse.

⁴ Secrecy shall be maintained with respect to reports, supporting documents and information as well as facts established during on-the-spot checks.

Art. 25

¹ The accounts of the National Bank shall be closed at the end of the calendar year.

² The annual balance sheet shall be drawn up in accordance with the principles laid down in the Code of Obligations.

³ The annual accounts shall be submitted to the Federal Council for approval before being published and before being adopted by the Shareholders' Meeting.

Art. 26

¹ A reserve fund which is to be accumulated by means of allocations from net profits shall cover any losses affecting the capital.

² This reserve fund shall constitute part of the Bank's working capital.

Art. 27

¹ An amount not exceeding 2 per cent of the capital shall first be allocated from the net profits shown in the profit and loss account to the reserve fund.

² A dividend not exceeding 6 per cent of the paid-up capital shall then be paid.

³ The remainder shall be distributed as follows:

a. First, the cantons shall receive payment of 80 centimes per head of the population. If net profits do not suffice for this, the deficiency shall be paid up during the following five years the Bank's financial situation permits this;

b. One-third of any surplus still remaining shall accrue to the Confederation and two-thirds to the cantons.

⁴ The surplus accruing to the cantons shall be distributed as follows: 5/8 in proportion to their resident population and 3/8 in proportion to their financial power. The Federal Council shall lay down the details after hearing the cantons.

Art. 28

The organs of the National Bank shall be the following:

- A. for supervision and control: the General Meeting of Shareholders; the bank authorities, namely: the Bank Council, the Bank Committee, the Local Committees, the Auditing Committee;
- B. for the management: the Governing Board, the local managements.

Art. 29

¹ Any shareholder listed in the share register or another shareholder duly authorized by him shall be eligible to attend the Shareholders' Meeting.

² Shares registered in the same name shall be represented by only one person.

³ The Bank Council shall issue the necessary regulations as to the form that the power of representation shall take.

⁴ The member of the Bank Council and of the Governing Board who are not shareholders shall attend the Shareholders' Meeting in an advisory capacity.

Art. 30

¹ The President of the Bank Council shall convene the Shareholders' Meeting at least three weeks before the day of assembly.

² In cases which he considers urgent he may reduce this period to eight days.

³ The agenda shall be included in the letter convening the meeting. The agenda shall also list proposals that have been submitted in writing to the Bank Council by at least ten shareholders before dispatch of the letter convening the meeting.

⁴ No decisions shall be passed with respect to matters not listed on the agenda, with the exception of a motion to convene an extraordinary Shareholders' Meeting which is brought in at the Shareholders' Meeting itself. For the submission of proposals or for discussions which do not involve decisions, no announcement on the agenda is required.

Art. 31

¹ The President of the Bank Council shall preside over the Shareholders' Meeting; if he is unable to attend, the chair shall be taken by the Vice-President or, if necessary, by a member of the Bank Committee to be designated by the Bank Council.

² The tellers shall be appointed by open ballot each time for the duration of the Shareholders' Meeting by an absolute majority of those present. The members of the Bank Council shall not be eligible as tellers.

³ A record of the proceedings and decisions of the Shareholders' Meeting shall be kept in the form of minutes, which shall be signed by the President, the recorder of the minutes and the tellers.

⁴ The recorder of the minutes shall be designated by the Bank Council.

⁵ Extracts from the minutes shall be certified by the President and one other member of the Bank Council.

Art. 32

¹ A list of persons present shall be kept showing the names and domicile of the shareholders attending or represented at the Shareholders' Meeting and the number of shares they represent.

² The list of persons present shall be signed by the President, the recorder of the minutes and the tellers.

³ If decisions are to be taken for the validity of which the law requires the drawing up of an official document, an authenticator shall be called in to the proceedings.

Art. 33

The shareholders shall submit their request for admission cards to the Shareholders' Meeting at least three days before the meeting to the departments of the Governing Board, the branches or the agencies. The admission cards will be issued on the basis of the listing in the share register.

Art. 34

¹ The Shareholders' Meeting shall constitute a quorum when at least 30 shareholders are present who together represent at least 10,000 shares.

² If a Shareholders' Meeting does not constitute a quorum when first convened, another Shareholders' Meeting shall be called immediately, and it shall then constitute a quorum regardless of the number of shareholders present and the number of shares represented.

³ These provisions shall be subject to Article 39.

Art. 35

¹ Each share shall carry one vote.

² Votes cast by public-law corporations and institutions shall not be subject to any limitation.

³ Other shareholders may not cast more than 100 votes for own and represented shares.

Art. 36

The Shareholders' Meeting shall pass decisions by an absolute majority of the voting stock represented, subject to Article 39. In case of a tie, the President shall have the casting vote. Balloting shall as a rule be open, but it shall be secret if the President so orders or upon request of at least five shareholders present. The election by the Shareholders' Meeting of the members of the Bank Council and of the members and substitutes of the Auditing Committee shall be by secret ballot.

Art. 37

¹ Each year, in April at the latest, the ordinary Shareholders' Meeting shall be held to approve the annual report and the annual accounts and to decide on the distribution of the net profit.

² Before the decision is passed the report of the Auditing Committee shall be read out.

³ Adoption of the annual accounts without reservation shall be deemed to be approval of the actions, during the fiscal year, of the organs of the Bank in charge of the administration.

⁴ Extraordinary Shareholders' Meetings shall be held when the Bank Council or the Auditing Committee considers them to be necessary.

⁵ Moreover, extraordinary Shareholders' Meetings shall be convened by decision of a Shareholders' Meeting or when shareholders whose combined shares amount to at least one-tenth of the capital request this in a petition signed by them and stating the purpose.

Art. 38

In addition to the powers enumerated in Article 37, paragraph 1, the Shareholders' Meeting shall also be empowered:

1. to elect 15 members of the Bank Council;
2. to elect the Auditing Committee;
3. to decide on all matters which are submitted by the Bank Council or which are brought before it pursuant to Article 37, paragraph 5;
4. to decide on an increase in capital, subject to the approval of the Federal Assembly;
5. to make proposals to the Federal Council concerning the amendment of this law for submission to the Federal Assembly;
6. to decide, at the latest one year before the expiration of its privilege, on the continued existence or dissolution of the Bank.

Art. 39

¹ An increase in capital as well as proposals to the Federal Council concerning the amendment of this law may only be decided upon if at least one-quarter, and, in the case of a decision regarding the continued existence or dissolution of the Bank, if at least one-half of the total shares are represented.

² If a Shareholders' Meeting does not constitute such a quorum when first convened, a second Shareholders' Meeting shall be called at another date not less than 30 days later, and shall be empowered to pass the decisions envisaged in the first paragraph even if the number of shares required therein are not represented. This shall be mentioned in the notice convening the second Shareholders' Meeting.

³ The continued existence of the Bank after the expiration of its privilege shall be deemed to have been decided on, unless at least two-thirds of the votes cast are in favour of dissolution.

Art. 40

The Bank Council shall consist of 40 members elected for a term of four years, 15 of whom shall be elected by the Shareholders' Meeting and 25 by the Federal Council. A year shall be understood to mean the period between the end of one ordinary Shareholders' Meeting and the end of the next ordinary Shareholders' Meeting.

Art. 41

The various sectors of the economy and the different parts of the country, taking into account the major banking, industrial and commercial centres, shall be represented on the Bank Council.

Art. 42

¹ The Bank Council shall be elected in the following manner: First, the Federal Council shall appoint the President and the Vice-President. Then, the Shareholders' Meeting shall elect 15 members and shall inform the Federal Council of its choices. Finally, the Federal Council shall appoint the remaining 23 members, no more than 5 of whom shall be members of the Federal Assembly and 5 of cantonal governments.

² The members of the Bank Council shall be exempt from depositing shares as security.

Art. 43

¹ In addition to the general supervision of the progress and conduct of the Bank's business the Bank Council shall deal with the following:

1. electing eight members of the Bank Committee;
2. appointing the Local Committees;
3. drawing up proposals for the election of the members of the Governing Board, their deputies and the directors of the branches;
4. examining and finalizing the regulations, annual reports and annual accounts, which are prepared by the Bank Committee in conjunction with the Governing Board and are subject to the approval of the Federal Council;
5. drawing up regulations regarding the transfer of shares;
6. deciding on the opening or closing of branches and agencies;
7. fixing the denominations of notes to be issued;
8. calling in the unpaid portion of the capital;
9. withdrawing notes by denominations, types and series;
10. fixing salaries in conformity with Article 62;
11. formulating the proposals put before the Shareholders' Meeting;
12. establishing the credit limits of customers if the amounts exceed, according to the regulations, the powers of the Bank Committee and the Governing Board;

13. approving the purchase or sale of real estate as well as approving credits for building projects and operating investments if the project exceeds, according to the regulations, the powers of the Bank Committee and the Governing Board.

² ... (abrogated).

³ The Bank Council shall pass its decisions by a majority of votes; in case of a tie, the President's vote shall count double.

Art. 44

¹ Minutes shall be kept of the proceedings of the Bank Council; upon approval they shall be signed by the President and the recorder of the minutes.

² The Bank Council shall appoint the recorder of the minutes.

Art. 45

All directives and documents issued by the Bank Council shall bear the signatures of the President of the Bank Council and of one member of the Governing Board.

Art. 46

¹ The members of the Bank Council may resign at any time; however, the Bank Council shall be notified of such intention three months in advance.

² When members elected by the Shareholders' Meeting are to be replaced, such action shall be taken at the next ordinary Shareholders' Meeting. However, if the number of members elected by the Shareholders' Meeting has been reduced to twelve, an extraordinary Shareholders' Meeting shall be called to elect replacements.

³ When members appointed by the Federal Council are to be replaced, the Federal Council shall appoint the replacements as soon as possible.

⁴ The replacements shall serve for the remainder of the current term.

⁵ The members of the Bank Council shall be eligible for re-election.

Art. 47

¹ The Bank Council shall meet at least once in every calendar quarter; it may also be convened to extraordinary sessions by the President or upon the demand of ten members.

² For a quorum the presence of a majority of the members of the Bank Council shall be required.

³ If the members cannot be assembled in a number sufficient for a quorum, the President shall be authorized to call in members of the Local Committees as substitutes. In such cases, there shall be an appropriate rotation of the persons serving as substitutes.

Art. 48

¹ A Bank Committee appointed for a term of four years shall carry out, as a body delegated by the Bank Council, the closer supervision and control of the management of the Bank.

² It shall consist of the President and the Vice-President of the Bank Council and eight other members appointed by the Bank Council. In appointing the Bank Committee care shall be taken to ensure that the various parts of the country are represented; as a rule, a canton may be represented on the Bank Committee by only one member, but in exceptional cases by two.

³ The Bank Committee shall meet when necessary, but as a rule once a month. For a quorum the presence of a majority of its members shall be required. In case of a tie, the President's vote shall count double.

⁴ If a matter of business is either particularly urgent or not important enough to justify convoking a meeting, the President may call for a decision in writing. Such decisions shall be submitted to the next meeting for discussion and recorded in the minutes.

Art. 49

¹ The Bank Committee shall discuss in advance all matters to be dealt with by the Bank Council. The Committee shall participate in an advisory capacity in the fixing of the official discount and lombard rates.

² It shall decide on all matters which this law does not assign to any other of the Bank's organs.

³ Credit limits, the purchase or sale of real estate, building projects, operating investments and administrative expenditure shall require the approval of the Bank Committee if the amounts lie within its competence according to the regulations.

⁴ The Bank Committee shall make proposals to the Bank Council, for submission to the Federal Council, regarding the appointment of the members of the Governing Board, their deputies and the directors of the branches.

⁵ After consultation with the Governing Board, the Bank Committee shall appoint the directors of the head offices, the deputy directors, the assistant directors, the senior officers, the authorized officers and authorized signatories of the Bank. It shall fix their salaries.

Art. 50

¹ Each of the head offices and branches shall have a Local Committee attached to it consisting of three members whom the Bank Council shall appoint, preferably from among the business circles of the region, for a term of four years.

^{1bis} The Local Committees shall participate in an advisory capacity in establishing credit limits and shall periodically examine the discounted bills and advances of the head office or branch concerned. They shall discuss with the management the economic situation and the consequences of central bank policy for the region.

² The Local Committees attached to the branches shall be consulted with regard to the appointment of the director and the officers of the branch concerned.

³ The Bank Committee shall designate the chairman and his deputy from among the members or the Local Committee.

⁴ The Local Committee shall meet when necessary; the presence of two members shall constitute a quorum.

Art. 51

¹ Each year the ordinary Shareholders' Meeting shall elect the Auditing Committee, consisting of three members and three substitutes. Persons who are not shareholders shall be eligible.

² The Auditing Committee shall audit the annual accounts and balance sheet and submit to the Shareholders' Meeting a written report on its findings. The Federal Council shall be informed of this report.

³ The Auditing Committee shall be entitled to examine at any time all aspects of the Bank's business.

Art. 52

¹ The Governing Board shall be the highest management and executive body. Subject to the provisions of Articles 43 and 49, it shall, in conformity with the regulations, be responsible for the fulfilment of the functions and aims of the National Bank. It shall, in particular, fix the official discount and lombard rates, the minimum reserves, the total amount of public issues to be authorized as well as issue the implementing regulations for curbing the inflow of funds from abroad.

² It shall appoint the officials and employees of the head offices, in so far as they are not to be appointed by the Federal Council or the Bank Committee, and shall approve the appointments in the branches.

³ It shall submit proposals to the Bank Committee for the appointment of the deputies of the members of the Governing Board, the directors of the branches as well as the officials to be elected by the Bank Committee.

⁴ The Governing Board shall represent the National Bank in its external relations. It shall be the authority to which the officials and employees of the head offices as well as the local managements shall be directly responsible.

Art. 53

¹ The Governing Board shall consist of three members, to whom deputies and directors of the head offices shall be assigned.

² The members of the Governing Board and their deputies shall be appointed by the Federal Council for a term of six years upon recommendation of the Bank Council.

³ The Federal Council shall elect the Chairman and the Vice-Chairman from among the members of the Governing Board.

⁴ The operations shall be divided among the three departments (Art. 4, para. 3). The departments in Zurich shall be in charge of discounting and foreign exchange transactions, advances against collateral, giro operations, economic studies, legal and personnel services, and control. The department in Berne shall direct the issue of bank notes, administer the gold holdings and the cash reserves and shall conduct all business with the Federal Administration, the Federal Railways and the PTT.

⁵ The directors shall manage their divisions in accordance with the decisions and directives of the Governing Board.

Art. 54

¹ Each branch shall be headed by a director, who shall be appointed by the Federal Council for a term of six years upon recommendation of the Bank Council.

² The director shall be responsible for the management and the conduct of the branch's business in accordance with the directives of the Governing Board and the regulations.

³ He shall appoint the officials and employees of the branch who are not elected by the Bank Committee. All such appointments shall be submitted to the Governing Board for approval.

⁴ All officials and employees of the branch shall report directly to the director.

Art. 55

The members of the Bank authorities as well as all officials and employees of the Bank must be Swiss citizens resident in Switzerland.

Art. 56

The members of the Governing Board, their deputies, the directors of the head offices and branches as well as the deputy directors shall not be members of the Federal Assembly, a cantonal government or the Bank Council.

Art. 57

¹ The joint signatures of two persons with authority to sign shall constitute a valid signature on behalf of the National Bank.

² The Bank Committee may issue deviating regulations for current operations.

Art. 58

The members of the Bank authorities as well as the officials and employees of the National Bank shall be bound to strict secrecy regarding the Bank's business relations with third parties and with respect to matters and arrangements relating to the Bank which, by their nature or in accordance with special provisions, are to be treated confidentially. The secrecy requirement shall remain in force even after a person has ceased to be a member of a Bank authority or to be employed by the Bank.

Art. 59

The members of the Bank authorities as well as the officials and employees of the National Bank shall be subject to federal legislation concerning the responsibility under civil penal law of the federal authorities and officials.

Art. 60

The members of the Bank authorities as well as the officials and employees of the National Bank may, by a decision of the organ or the authority by which they were elected or appointed, be dismissed upon the reasons for such dismissal being stated.

Art. 61

The powers of the Bank authorities and the relations between them, minimum and maximum salaries as well as the conduct of business shall be laid down in regulations issued by the Bank Council, subject to the approval of the Federal Council.

Art. 62

¹ Within the limits set by the regulations the salaries of the members of the Governing Board, their deputies and the directors of the branches shall be fixed by the Bank Council, those of the remaining officials and employees by the electing authority.

² The payment of shares of proceeds shall be prohibited

Art. 63

The constitutional participation and supervision of the Confederation shall be carried out:

1. by the Federal Assembly: by approving an increase in capital (Art. 6, para. 1);
2. by the Federal Council:
 - a. by appointing representatives to the Bank authorities (Arts. 40-42);
 - b. by appointing the members of the Governing Board, their deputies and the directors of the branches (Arts. 53 and 54);
 - c. by passing decision in case of dissent between a canton and the National Bank regarding the establishment of a branch or agency (Art. 4, para. 2);
 - d. ... [1](#)
 - e. ... [1](#)
 - f. ... [1](#)
 - g. by deciding on the final allocation of net profits to the cantons (Art. 27, para. 3);
 - h. by approving the regulations issued by the Bank Council (Art. 61);
 - i. by approving the annual report and the annual accounts (Art. 25);
 - k. by submitting reports to the Federal Assembly;
 - l. by exercising the powers conferred on it according to Article 2, paragraph 2 with respect to economic and monetary policy measures of major importance.

[1\) rescinded](#)

Art. 65a

1. Anyone who in contravention of the provisions issued by the Federal Council or the National Bank on the basis of this law:
 - a. issues publicly, without authorization, domestic treasury bills or debt certificates of any kind as well as shares, bonus shares or other similar paper,
 - b. pays interest to non-residents on their deposits denominated in Swiss francs or does not levy the commissions on such deposits or does not deliver them,
 - c. concludes with non-residents unauthorized forward foreign exchange or securities transactions,
 - d. borrows funds abroad without authorization,

e. does not balance foreign currency positions,
f. imports more than the authorized amount of foreign bank notes,
shall be punishable by imprisonment for a period not exceeding six months or by a fine not exceeding 200,000 Swiss francs.
2. If the act has been committed by negligence, the penalty shall be a fine not exceeding 100,000 Swiss francs.

Art. 65b

1. Anyone who in contravention of the provisions of this law
a. disregards the obligation to render reports and accounts, to supply information and to produce books of account and records or makes untrue or incomplete statements,
b. impedes, obstructs or makes impossible the proper accomplishment of an official inspection, particularly of an audit examination of accounts,
c. as a recognized auditing firm violates, when auditing or submitting the auditing report, the duties assigned to it by this law or the implementing regulations, and especially makes false statements or omits essential facts in the auditing report,
shall be punishable by imprisonment for a period not exceeding six months or by a fine not exceeding 200,000 Swiss francs.
2. If the act has been committed by negligence, the penalty shall be a fine not exceeding 100,000 Swiss francs.
3. In case of a violation in terms of point 1.b) prosecution according to Article 285 of the Swiss Penal Code shall remain reserved.

Art. 65c

The Federal Council may threaten detention or a fine not exceeding 200,000 Swiss francs for infringements of the implementing ordinances issued by it, unless Article 65a applies.

Art. 65d

1. Proceedings for violations according to Articles 65a-65c shall be instituted by the Federal Department of Finance, which shall also pass judgement, both in accordance with the rules of procedure of the Federal Administrative Penal Law. The second Title of the Federal Administrative Penal Law shall be applicable. If the National Bank becomes aware of such violations, it shall immediately notify the Federal Department of Finance.
2. Prosecution for infringement shall be subject to a five-year period of prescription. The period of prescription may not be extended by more than one-half through interruptions.

Art. 66

¹ The note issuing privilege shall be granted to the National Bank for periods of 20 years at a time. It shall be renewed by resolution of the Federal Assembly.

² If the Confederation does not wish to renew the privilege, it reserves the right, following an announcement one year in advance, to take over the National Bank with its assets and liabilities on the basis of a balance sheet drawn up by mutual agreement or, in case of a dispute, by a decision of the Federal Court. The takeover shall be governed by federal law.

³ The Confederation may take over the National Bank in the same manner if the General Meeting decides to dissolve the Bank.

Art. 67

In the absence of a resolution by the Federal Assembly pursuant to Article 66, the National Bank shall continue to be responsible for issuing bank notes for another three years. A conflicting decision to dissolve the National Bank shall be legally invalid.

Art. 68

¹ If the National Bank should be taken over by the Confederation, the paid-up capital as well as 5 per cent interest for the duration of the liquidation shall be refunded.

² The reserve fund, in so far as it does not have to be used to cover losses, shall be allocated as follows:

one-third, but not more than 10 per cent of the paid-up capital, to the shareholders;
one-half of the remaining sum to the Confederation for the new central bank, and the other half to the cantons in proportion to their population.

³ Any remaining assets shall become the property of the new central bank of the Confederation.

Art. 68a

¹ Administrative law appeals can be lodged with the Federal Court against decisions issued by the National Bank on the basis of Articles 16f, 16g paragraph 3, 16i and 16k of this law or of the corresponding implementing regulations.

² Final and conclusive decisions of the National Bank shall be on the same footing as court judgments enforceable by execution in terms of Article 80 of the Federal Law on Debt Collection and Bankruptcy.

Art. 69

¹ The Federal Court shall hand down decisions as the court of first and last instance with respect to:

- a. all civil-law suits arising from the issuing of bank notes;
- b. suits of the Confederation, cantons and other owners of shares of the National Bank against each other or against the National Bank with respect to net profits or liquidation proceeds;
- c. disputes with respect to the balance sheet which forms the basis of the takeover of the National Bank by the Confederation.

² All other lawsuits involving the National Bank shall be settled by ordinary legal procedure.

Art. 70

With the entering into force of this law, the following are repealed:

the Federal Law of April 7, 1921 on the Swiss National Bank;

Articles 1 and 2 of the Resolution of the Federal Council of September 27, 1936 relating to monetary measures

Art. 71

The Federal Council shall decide the date on which this law is to enter into force.

Art. 70

With the entering into force of this law, the following are repealed:

the Federal Law of April 7, 1921 on the Swiss National Bank;

Articles 1 and 2 of the Resolution of the Federal Council of September 27, 1936 relating to monetary measures

Art. 71

The Federal Council shall decide the date on which this law is to enter into force.