
Questions and answers on the SNB as a company

What is the constitutional basis for the SNB and its activities? 

The constitutional basis for the SNB's activities is enshrined in art. 99 of the [Federal Constitution](#). The article states that money and currency are a federal matter, with the Confederation having the exclusive right to issue coins and banknotes. Furthermore, it stipulates that the SNB is to pursue a monetary policy that serves the overall interests of the country, that it should fulfil this mandate as an independent central bank, and that the SNB is administered with the cooperation and under the supervision of the Confederation.

Where is the constitutional basis for the SNB explained in detail? 

The main legislation governing the SNB and its activities is the [National Bank Act \(NBA\)](#). The NBA details the SNB's constitutional mandate and independence. It describes the SNB's individual tasks and charges it with ensuring price stability, while taking due account of economic developments. The NBA also defines the SNB's duty of accountability and duty to provide information towards the Federal Council, parliament and the public, which constitutes a counterweight to its independence ([Questions and answers on the SNB's independence and its relationship with the Confederation](#)). The NBA also confers on the SNB the note-issuing privilege: in other words, the sole right to issue Swiss banknotes.

What is the SNB's legal form? 

The SNB, as Switzerland's central bank, is a special-statute joint-stock company. Unless defined otherwise in the NBA, the provisions of the Code of Obligations relating to joint-stock companies apply. The SNB is administered with the cooperation and under the supervision of the Confederation. This mixed legal form, which unites elements from private and public law, was chosen upon the SNB's establishment in 1907 and has been retained ever since.

Who owns the SNB?



Around half the SNB's share capital is held by the cantons, the cantonal banks and other public authorities and institutions. The remainder is in the hands of private individuals. In conducting its monetary policy, however, the SNB performs a public function. It carries out its monetary policy mandate independently of the Federal Council, parliament or other bodies. Consequently, its legal form is a combination of private and public law elements, and the rights of its shareholders are also limited accordingly. Its net profit - minus a dividend limited by legal provisions - accrues to the public sector, namely the Confederation and the cantons ([Questions and answers on equity capital and profit appropriation](#)).

What are the SNB's corporate bodies?



The SNB's corporate bodies are the General Meeting of Shareholders, the Bank Council, the Governing Board and the External Auditor. Since the SNB is a special-statute joint-stock company, the powers of the General Meeting of Shareholders and the Bank Council are limited compared to private companies.

How is the SNB's share capital distributed?



In accordance with the NBA, the SNB's share capital amounts to CHF 25 million (art. 25 NBA). It is divided into 100,000 registered shares with a nominal value of CHF 250 each. At end-2021, 51% of these shares were held by cantons, cantonal banks and other public authorities and institutions. The remaining shares were in the possession of private individuals and legal entities in Switzerland and abroad. Shareholders may vote only if they are entered in the share register. However, as stipulated in the NBA, a private shareholder's registration is limited to a maximum of 100 shares (art. 26 NBA). Of the registered shares, over 66% were held by public sector shareholders.

What is the procedure to become an SNB shareholder?

SNB registered shares are traded in the Swiss Reporting Standard segment of SIX Swiss Exchange (the Swiss stock exchange) and can be acquired by any private individual or legal entity in Switzerland or abroad. The securities symbol is SNBN and the securities number is 131926.

Why are the SNB's shares listed on the Swiss stock exchange?

SNB registered shares have been listed on the Swiss stock exchange since the central bank's foundation in 1907, given the fact that they are so widely held by the public. Due to its shares listing (today on SIX Swiss Exchange), the SNB is required to meet the Swiss stock exchange conditions imposed on all issuers. On the subject of the SNB's shares listing, the NBA states that the competent authorities must take into account the special nature of the SNB when applying the listing rules, particularly the provisions on the content and the frequency of financial reporting as well as on ad hoc publicity (art. 27 NBA).

How is the 'special nature of the SNB' taken into account in terms of financial reporting?

The financial reporting of the SNB is not comparable with that of a joint-stock company under private law. The SNB's purpose is not to earn profits, which are then distributed to its shareholders, but rather to fulfil its mandate as laid out in the Constitution. The distribution of profits is also defined in the NBA (art. 31 NBA). Accordingly, the SNB's reporting duties are different. It renders account of the fulfilment of its tasks to parliament and the public in the [accountability report](#). It provides information on organisational and operational developments, as well as its financial result, in its financial report, which includes the business report and the annual financial statements. The financial report requires the approval of the Federal Council before it can be put before the General Meeting of Shareholders.

What rights do SNB shareholders have?

SNB shareholder rights are laid down in art. 36 NBA, with the provisions of company law being subsidiary to those of the NBA. Since the SNB fulfils a public mandate and is administered with the cooperation and under the supervision of the Confederation, shareholder rights are restricted as compared with a joint-stock company under private law. On the one hand, voting rights of private shareholders are limited to 100 shares. On the other, dividends may not exceed 6% of share capital, i.e. CHF 15 per share. Thus the only say that shareholders have in profit distribution is with regard to the payment of a dividend up to 6% - on condition that the distribution reserve does not turn negative following the profit appropriation. Furthermore, the business report and the annual financial statements are subject to approval by the Federal Council before they can be submitted to the General Meeting of Shareholders. The General Meeting of Shareholders only elects five of the eleven members of the Bank Council.

Why does the NBA limit the dividend to 6% of share capital?

The SNB is a special-statute joint-stock company with a public mandate. This mandate includes the note-issuing privilege, due to which - averaged out over the long term - it earns profits. In line with the Constitution and public law, and provided they are not needed for the provisions for currency reserves, these profits accrue not, primarily, to the shareholders, but to the public sector. For this reason, the dividend is restricted by law to 6%, with the remainder of the net profit generally distributed to the Confederation and the cantons (art. 31 NBA).

How has ownership of the SNB developed since its foundation?

A breakdown of SNB shareholdings shows a remarkable stability over the decades. Since the SNB's foundation, almost 40% of its share capital has been held by the cantons, and almost 12% by the cantonal banks. At end-2021, public sector shareholders accounted for over 66% of registered shares. The remainder was in the hands of private shareholders, although because of the limitation on voting rights, their voting power was only 22%. The voting power of the cantons and cantonal banks, as well as other public authorities and institutions, therefore amounted to 78%. Thus, within the bounds of the legally prescribed limitations, the participatory rights of public sector shareholders in the SNB are substantial.

Could the SNB be taken over and controlled by a (foreign) private investor?

The participatory and property rights of SNB shareholders are severely constrained by law. Furthermore, voting rights of shareholders outside the Swiss public sector are limited to a maximum of 100 shares. Foreign shareholders have numbered among the private shareholders since the beginning of the 1990s. At end-2021, they

accounted for 12.4% of registered shares, although their voting share was only just under 3%.

Why doesn't the Confederation hold SNB shares?

Since the SNB carries out a public function, it is administered - as specified in the Federal Constitution - with the cooperation of the Confederation and under its supervision. This is laid out in the NBA as follows: The Federal Council elects the majority of the Bank Council members (six of eleven, art. 39 NBA), and appoints the President and the Vice President. It also appoints the three members of the Governing Board, including the chairperson and vice chairperson, as well as the alternate members (all based on the Bank Council's recommendation, art. 43 NBA). The SNB must also submit its financial report to the Federal Council for approval before it can be put before the General Meeting of Shareholders (art. 7 NBA). These participatory and supervisory rights of the Confederation are enshrined in the Constitution and the NBA, and do not require the holding of shares in the SNB.

What is the function of the SNB's Bank Council?

The eleven members of the Bank Council constitute the SNB's supervisory body. It oversees and controls the central bank's conduct of business. Monetary policy does not form part of its remit; this falls to the Governing Board. The Bank Council lays down the fundamental elements of the SNB's organisation and approves the budget as well as the level of provisions for currency reserves. The Bank Council also assesses risk management and the basic principles of the investment process. Furthermore, it approves the agreement with the Federal Department of Finance (FDF) on profit distribution and decides on the design of banknotes. The Bank Council generally meets six times per year. Four committees are composed from

within its own ranks, namely an audit, a risk, a compensation and a nomination committee.

Who elects the Bank Council members, and what are the requirements for becoming a member of the Bank Council?

The Federal Council elects six members of the Bank Council, and appoints the President and Vice President. Five members are elected by the General Meeting of Shareholders. As set out in the NBA, candidates must have Swiss citizenship, an impeccable reputation, and recognised expertise in the fields of banking and financial services, company management or economic policy, or in an academic field (art. 40 NBA). The composition of the Bank Council should adequately represent the different regions and languages of the country. One term of office is four years, and the maximum tenure may not exceed twelve years. The [Memorandum of Understanding on the set of principles governing membership of the SNB Bank Council](#) concluded by the FDF and the SNB ensures that the specialised abilities and qualities that are important for the SNB are represented in the Bank Council at all times.

Is the Bank Council of the SNB comparable with the Board of Directors of a listed company?

The Bank Council is comparable with a Board of Directors inasmuch as it is also a supervisory body. However, due to the SNB's special legal form, there are substantial differences. Its executive management, the Governing Board, is appointed not by the Bank Council but by the Federal Council (upon the recommendation of the Bank Council). Furthermore, only five of the eleven members of the Bank Council are elected by the General Meeting of Shareholders; the remaining six members are appointed by the Federal Council, as are its President and Vice President. With regard to the division of tasks, it is important to

note that the Bank Council has no involvement in monetary policy. This is solely the domain of the Governing Board.

What are the tasks of the Governing Board of the SNB?

The Governing Board is the supreme management and executive body of the SNB. It consists of three members. The Governing Board is responsible, in particular, for monetary policy, asset management strategy, contributing to the stability of the financial system, and international monetary cooperation. It represents the SNB in the public sphere.

Who appoints the Governing Board, and what are the requirements for becoming a member of the Governing Board?

The members of the Governing Board are appointed by the Federal Council, based on the recommendation of the Bank Council. The term of office is six years and re-appointment is possible. The Chairperson and Vice Chairperson are also appointed by the Federal Council. The Chairperson leads the Governing Board meetings. Candidates for the Governing Board must have an impeccable reputation and recognised expertise in monetary, banking and financial issues. They must also hold Swiss citizenship and be resident in Switzerland.

Who is responsible for the SNB's business operations?

The Enlarged Governing Board, i.e. the three Governing Board members and their deputies, up to two each, is responsible for issuing the strategic guidelines for the SNB's business operations. The Board of Deputies is responsible for the planning

and implementation of these strategic guidelines. It also ensures coordination in all operational matters of interdepartmental importance.

Where is the SNB's head office?

The SNB has two head offices - one in Berne and one in Zurich. Both locations have a cashier's office. The fact that the SNB has two head offices goes back to a compromise reached at the time of its establishment.

Is the SNB represented elsewhere in Switzerland?

The SNB maintains representative offices in Basel, Geneva, Lausanne, Lucerne, Lugano and St Gallen and at its two offices in Berne and Zurich. These are responsible for monitoring economic developments and explaining the SNB's policy in the regions ([Questions and answers on regional economic relations](#)). The SNB also maintains 13 agencies run by cantonal banks for the receipt and distribution of banknotes and coins.

Does the SNB have an overseas presence?

In July 2013, the SNB opened a branch office in Singapore ([Questions and answers on asset management](#)).

How is the SNB organised?

The SNB is divided into three departments ([Organisational chart](#)). For the most part, the divisions and organisational units of Departments I and III are located in Zurich, while those of Department II are mainly in Berne. Each of the three departments is

headed by a member of the Governing Board and their deputy/deputies. Department I, which as a rule is headed by the Chair of the Governing Board, comprises the divisions Economic Affairs, International Monetary Cooperation, Statistics and Secretariat General, as well as the Legal Services, Compliance, Human Resources, and Premises and Technical Services units. Department II, led as a rule by the Vice Chairperson of the Governing Board, is divided into the Financial Stability and Cash divisions, as well as the Accounting, Controlling, Risk Management, and Operational Risk and Security units. Department III is made up of the Money Market and Foreign Exchange, Asset Management, Banking Operations, and Information Technology divisions, as well as the Financial Market Analysis unit and the Singapore office. The Internal Audit unit reports to the Bank Council's Audit Committee.

How many staff are employed by the SNB?



A total of 950 staff were employed by the SNB at end-2021, the equivalent of 869 full-time positions. The SNB also employed 23 apprentices. Staff members mostly comprise economists, political scientists, and legal, banking, logistics and IT specialists, as well as technical personnel and commercial training graduates. Over 700 staff work in Zurich and 200 in Berne, with the remainder spread across the regional representative offices and the branch office in Singapore.