Press release

Basel, 23.11.2022

Partial revision of the Banking Act coming into force on 1 January 2023

From the start of 2023, Switzerland will have improved depositor protection. CHF 100 000 will remain protected if a bank goes bankrupt, and the financing of the system will be strengthened. The new law also brings changes for joint account holders.

The partial revision of the Banking Act passed by Parliament on 17 December 2021 will enter into force on 1 January 2023. This means that clients will be better protected under the deposit insurance scheme if a bank goes bankrupt. Parts of the revision will enter into force immediately. Others will have transitional periods.

Treatment of joint accounts

The new legislation for the treatment of joint accounts will enter into force on 1 January 2023. If two or more people – e.g. a married couple, a community of heirs, etc. – are the joint holders of an account, the account is referred to as a joint account. The holders of a joint account will now be treated as an individual, separate client for the purposes of deposit insurance. Deposits by this separate client of up to CHF 100 000 will be protected.

If one of the individuals who holds a joint account also has their own, separate client relationship with the bank, deposits of up to CHF 100 000 will also be protected for this client relationship.

Examples can be found at: **www.esisuisse.ch/en/2023**

Increase in banks' contribution obligation

The contribution obligation that all banks have towards esisuisse will change from 1 January 2023. The contribution obligation is based on a total of 1.6% of all deposits protected at banks in Switzerland but cannot fall below CHF 6 billion. This results in a dynamic and a good 30% higher contribution obligation of around CHF 8 billion.

Strengthening financing

All banks in Switzerland are legally obliged to hold liquidity in case they are required to pay into the deposit insurance scheme. By 30 November 2023, each bank must now deposit 50% of this contribution obligation in advance with the SNB or SIX in the form of securities or money. The remaining 50% will remain subject to the liquidity requirements for banks.

Elaborate preparatory work for banks

All banks have a transitional period until 31 December 2027 to prepare the newly defined processes for the payout of the protected deposits in the event of bankruptcy. This also includes drawing up a list of depositors in a format stipulated by esisuisse.

According to Gregor Frey, CEO of esisuisse, the implementation of the new rules of the Banking Act will improve the tried and tested deposit insurance scheme in Switzerland. *«As an expert organisation, esisuisse has made a significant contribution to this development»*, he added.

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esisuisse – Swiss deposit insurance

esisuisse is a self-regulatory organisation for banks in Switzerland. esisuisse guarantees that it will cover protected deposits as part of the self-regulation of Swiss banks and securities firms. All banks with a branch in Switzerland must be members of esisuisse. esisuisse is a private association with its registered office and office in Basel. The banks are obliged to pay to esisuisse the amounts stipulated by law to fund the deposit insurance scheme. esisuisse will then pass to the bank's liquidator the sums required to finance repayment of the protected deposits. esisuisse informs the public about depositor protection in Switzerland.

More information on esisuisse and the deposit insurance scheme: **www.esisuisse.ch**