



Federal Council initiates consultation on partial revision of Banking Act

Bern, 08.03.2019 - During its meeting on 8 March 2019, the Federal Council initiated the consultation on the partial revision of the Banking Act (BankA). Revised rules will be proposed for bank restructuring, strengthening deposit insurance and supplementary provisions on the segregation of intermediated securities. The consultation will last until 14 June 2019.

The Banking Act only regulates the main features of the restructuring procedure for banks; details can be found in the FINMA Banking Insolvency Ordinance. In order to strengthen legal certainty, it is above all those instruments such as capital measures (e.g. a bail-in), which interfere with the rights of the bank's owners and creditors that are now to be anchored at the legislative level. An adjustment to the Mortgage Bond Act will also strengthen the functioning of the Swiss mortgage bond system in the event of insolvency or bankruptcy of a member bank.

Moreover, the banks are no longer to secure half of their contribution obligations to deposit insurance in the form of additional liquidity, but by depositing securities or Swiss francs in cash with a custodian. If a bank liable to pay contributions does not meet its payment obligation as applicable, deposit insurance will use these deposited values. It was thus not necessary to revise deposit insurance with a security fund to be set up by the banks. The payout deadline of the funds from deposit insurance to the bankruptcy liquidator will be reduced from twenty to seven days. Upon receipt of the bank client's payment instructions, the secured deposits are to be paid to the client within a further seven days.

An adjustment to the Intermediated Securities Act will then introduce the obligation for all custodians of intermediated securities to separate their own and clients' portfolios. If the custody chain leads abroad, the last Swiss custodian has to take measures to protect

the intermediated securities booked with the foreign custodian. Within this scope, the information provided to clients also has to be improved.

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Documents

 [Vernehmlassungsvorlage BankG](#) (PDF, 782 kB)

 [Erläuternder Bericht](#) (PDF, 662 kB)

 [Fragenkatalog Vernehmlassungsvorlage](#) (PDF, 216 kB)

 [Brief an die Kantone](#) (PDF, 124 kB)

 [Brief an die Organisationen](#) (PDF, 124 kB)

 [Adressatenliste](#) (PDF, 138 kB)

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The Federal Council

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Federal Department of Finance

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