



# Federal Council adopts special dispatch on guarantee credits for Swiss National Bank and UBS

**Bern, 29.03.2023 - In addition to the ordinary supplementary credits for the 2023 budget, the Federal Council adopted the special dispatch on the two urgent guarantee credits for the Swiss National Bank (SNB) and UBS during its meeting on 29 March 2023. These guarantees are for a total of CHF 109 billion and have no immediate financial implications for the Confederation. In addition, a supplementary credit of CHF 5 million was requested for additional resources. Furthermore, the Federal Council decided on an in-depth review of the events and a comprehensive evaluation of the too-big-to-fail regulatory framework.**

On 16 and 19 March 2023, the Federal Council decided on various measures to prevent the imminent failure of Credit Suisse (CS), which is globally active and systemically important, and thereby avert an international financial crisis and extremely severe damage to the Swiss financial centre and the entire economy. In the Federal Council's view, the package of measures centred around the takeover of Credit Suisse by UBS enabled this goal to be achieved under the prevailing circumstances, while keeping the cost for the state and taxpayers as low as possible.

## Special dispatch on guarantee credits

This package of measures includes federal guarantees for the SNB and UBS. Guarantee credits had to be provided in this regard. Due to the urgency of the matter, the Finance Delegation already approved both guarantee credits on 19 March 2023. With the special dispatch adopted today by the Federal Council, these will also be submitted to Parliament. They concern the following federal guarantees:

- **Default guarantee** in the amount of CHF 100 billion in favour of the SNB for additional liquidity assistance loans from the SNB to CS. The additional liquidity

assistance guaranteed by the Confederation will take effect only in case of need and will ensure business continuity at CS, thereby enabling an orderly takeover by UBS. These liquidity assistance loans are additionally covered by preferential rights in bankruptcy proceedings. This means that any loans that are drawn down would be repaid before the claims of certain other creditors in the event of bankruptcy. Moreover, the borrower is required to pay a commitment premium and a risk premium on these loans.

- **Loss protection guarantee** in the amount of CHF 9 billion for UBS. To enable UBS to take over Credit Suisse, the federal government provided a loss guarantee of a maximum of CHF 9 billion for a specific portfolio of difficult-to-assess CS assets. However, this will take effect only if UBS actually incurs losses on the sale of these assets and the losses in question exceed CHF 5 billion.

Neither guarantee has immediate financial implications for the Confederation. These guarantees would affect the extraordinary federal budget only if CS were to go bankrupt and the SNB were to suffer a definitive loss on the secured loans which could not be satisfied from the bankruptcy estate, despite the preferential rights in bankruptcy proceedings, or if UBS were to incur losses exceeding CHF 5 billion on the sale of the aforementioned assets following the takeover.

In addition to the guarantee credits, a supplementary credit of CHF 5 million was requested for additional resources to support the measures and for analysis work.

Parliament will examine the special dispatch during the extraordinary session in April.

## Review of events

Together with the special dispatch, the Federal Council also decided on an in-depth review of the events and a comprehensive evaluation of the too-big-to-fail regulatory framework. With the help of external experts, the Federal Department of Finance will both thoroughly analyse the circumstances that made this package of measures necessary and comprehensively evaluate the too-big-to-fail regulatory framework. The results are expected to be submitted to Parliament within 12 months as part of the Federal Council's next report on systemically important banks pursuant to Article 52 of the Banking Act. The report will also serve to respond to postulates referred by Parliament. Should Parliament likewise decide to carry out a review, the Federal Council will take this into account.

### What are supplementary credits and guarantee credits?

**Supplementary credits** are add-ons to the budget for the current year; they are to cover unavoidable expenses or investment expenditure, and require parliamentary approval. Applications for supplementary credits can be submitted if it was not

possible to foresee the need for funds earlier, if a delay would result in considerable disadvantages and if it is not possible to wait until the next budget. The administrative units must provide full justification for their additional credit needs.

A **guarantee credit** sets the maximum amount of the financial obligations to which the Federal Council can commit for a specific project. It is used when the execution of a project causes payments beyond the budget year. The Financial Budget Act specifies the cases in which a guarantee credit has to be obtained. Corresponding requests are submitted to the Federal Assembly with either a special dispatch or the decrees on the budget and its addenda.

---

### Address for enquiries

FDF Communications  
info@gs-efd.admin.ch  
+41 58 462 60 33

---

## Documents

 [Botschaft](#) (PDF, 303 kB)

### Publisher

The Federal Council  
<https://www.admin.ch/gov/en/start.html>

Federal Department of Finance  
<https://www.efd.admin.ch/efd/en/home.html>

<https://www.admin.ch/content/gov/en/start/documentation/media-releases/media-releases-federal-council.msg-id-94030.html>