

Payment of protected deposits

This information document is part of a series covering the 2020/21 revision of deposit insurance legislation (see overview at the end of this document).

Background

Various improvements are planned in the current revision of the law as regards the payment of protected deposits to clients (dark blue):

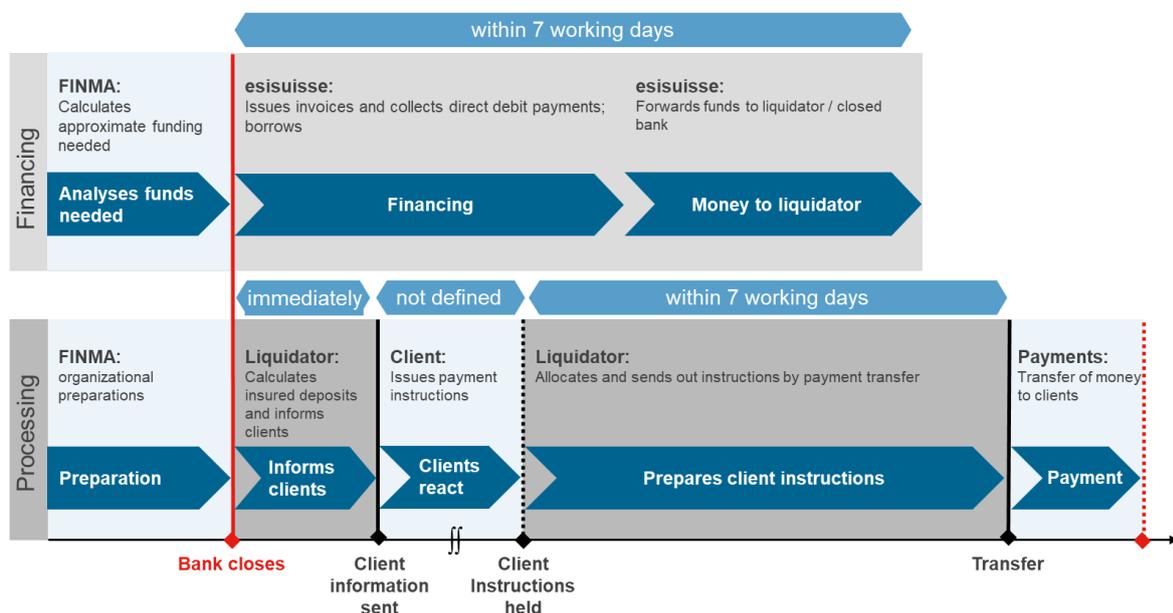
	Status quo	New rules
Procedure if a bank closes	Immediate payout from the liquidity of the closing bank	
	No legal provision on informing clients	Clients to be informed immediately
	No legal deadline for payout to clients	Payout to clients within 7 WD
	Cash forwarded by esisuisse to the liquidator within 20 WD	Cash forwarded by esisuisse to the liquidator within 7 WD
Master file	Annual calculation of insured deposits per bank	Regular calculation of insured deposits per client and new processes at each bank as preparation for a closure
	No master file available, only SFBC Circular no. 47	Master file with exception list

Master file

In future, every bank will carry out a regular, standardised calculation of protected deposits per client at Swiss branches. To this end, every bank will create a predefined master file, which would be needed to make payouts in the event of a liquidation. To ensure an immediate payout, some categories of clients and accounts will be excluded, and payments for these categories will be made at a later date (the exception list). This includes, for example, accounts with deceased holders.

Procedure in the event of liquidation

The information about the closure of the bank must now be sent to clients immediately. Protected deposits will be paid out within seven working days from the day on which the client's payment instructions are received. The deadline for esisuisse to forward funds to the liquidator will also be reduced to seven working days. The individual steps and the corresponding deadlines for the payment of protected deposits and any financing by esisuisse are as follows:



Procedure

- If a bank gets into difficulties, and liquidation is imminent, FINMA asks the bank to provide the master file. FINMA determines how much money the bank still has and uses the master file to calculate the amount of protected deposits to be paid out.
- If the bank cannot be rescued, FINMA takes the decision to close it.
- FINMA appoints a liquidator, who immediately informs all clients entitled to make a claim about the liquidation and the procedure for paying out protected deposits. The liquidator asks clients to provide payment instructions (account details for transferring the protected deposits).
- The clients provide the liquidator with payment instructions.
- The liquidator matches the clients' payment instructions to the amounts to be paid out and issues instructions for a transfer to be made to the account stipulated. This is to be done within seven working days of receipt of payment instructions from the clients.
- Payment will be considered complete once each client has received his or her amount.

Financing

- If, when preparing a liquidation, FINMA identifies a difference in the master file between the funds available at the bank to be closed and the protected deposits, it will determine the financing needed from esisuisse.
- No later than the start of the bank's liquidation, FINMA will give esisuisse instructions indicating the financing needed; esisuisse will then collect the amounts owed by its members by direct debit. esisuisse must transfer these to the liquidator within seven working days.

Information documents on the 2020/21 revision of deposit insurance legislation

Details of the 2020/21 revision of deposit insurance legislation can be found in the following information documents:

- Swiss deposit insurance today: in brief
- Overview of the reform of the deposit insurance scheme
- Financing of the deposit insurance scheme
- *Payment of protected (this document)*
- Swiss deposit insurance: an international comparison
- State guarantee and deposit insurance
- Reform of the Swiss deposit insurance scheme – key points

Further information on deposit insurance and esisuisse can be found at www.esisuisse.ch.