# State guarantee and deposit insurance

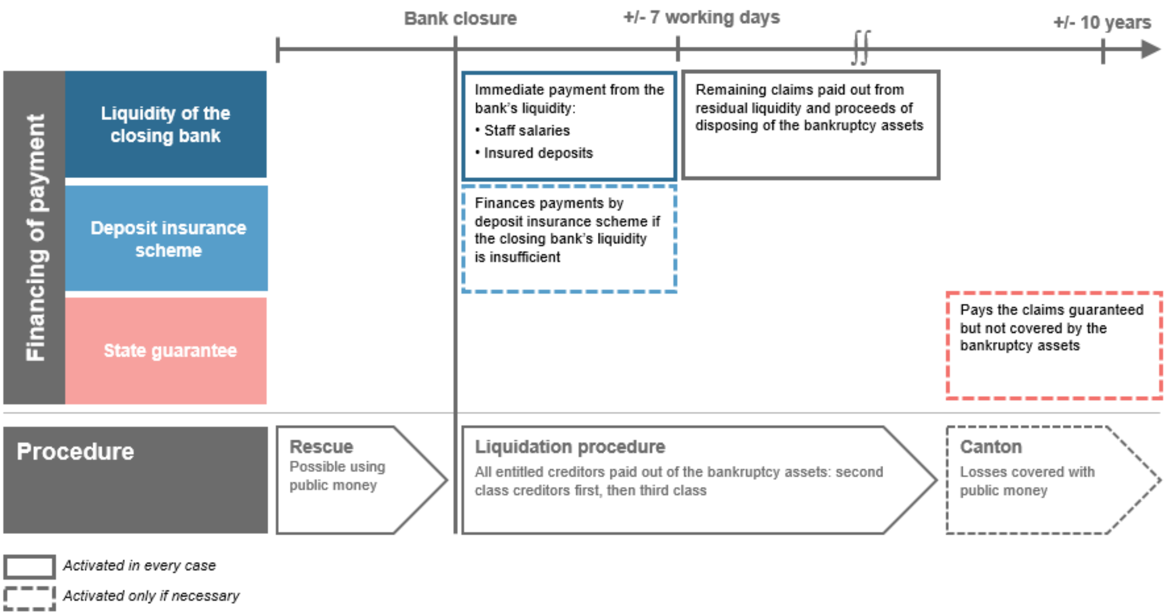
*This information document is part of a series covering the 202/21 revision of deposit insurance legislation (see overview at the end of this document).*

## Background

Deposit insurance and state guarantee are not the same thing, even though both aim to protect client deposits held with banks. That is why balances held with cantonal banks are also covered by the deposit insurance scheme.

- **Deposit insurance** comes into effect **right at the start** of the liquidation:
  - The task of the deposit insurance scheme is to pay out deposits **quickly** to the clients affected in the event a bank closes.
- A **state guarantee** comes into effect **at the end** of the liquidation, which can often drag on for years:
  - Where a cantonal bank has a state guarantee, the canton commits to honour all open liabilities after the liquidation procedure. However, it is possible for banks with a state guarantee to be rescued with public money, before the state guarantee is even called on. This means that the closure of a cantonal bank can be prevented by a political decision.

## Procedure




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

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