esisuisse

Press release

Stronger depositor protection

On 17 December 2021, Parliament passed a partial revision of the Banking Act, providing better protection for bank clients under the deposit insurance scheme if a bank goes bankrupt. They are able to get their money back more quickly and financing is even more stable. The revision is expected to enter into force on 1 January 2023.

Basel, 17 December 2021

In February 2015, the Federal Council launched a partial revision of the Banking Act (Bankengesetz – BankG) entitled ‘Further development of deposit insurance’. The Federal Assembly’s recent approval of the BankG revision marks the completion of a parliamentary process that significantly strengthens deposit insurance in three areas.

Financing made even more robust

All banks in Switzerland are already legally obliged to hold liquidity in case they are required to pay to the deposit insurance scheme. They are now required to deposit 50% of this payment obligation with a third-party custodian in advance in the form of securities or money. The remaining 50% is still subject to the strict liquidity requirements applicable to banks.

Dynamic regulation of maximum amount of banks’ payment obligations to esisuisse

The payment obligations for all banks – currently CHF 6 billion – is being increased. The payment obligation is now based on a total of 1.6% of all covered deposits across the scheme and cannot fall below CHF 6 billion. With total covered deposits currently at CHF 489 billion (as of 31 December 2020), this results in a payment obligation of CHF 7.8 billion. This dynamically adapts to the current level of covered deposits.

Faster repayments

One of the main purposes of deposit insurance is to quickly provide affected bank clients with enough money (up to a maximum of CHF 100,000 per client and bank) to meet their financial obligations. Within this context, the repayment period, which has so far not been legally regulated, will be shortened.

esisuisse is pleased

Gregor Frey, CEO of esisuisse, is pleased with the outcome of the reform: ‘As an expert organisation, esisuisse has made a significant contribution to this reform, which will increase financial market stability and Switzerland’s reputation as a banking centre. The situation also improves for bank clients. In short, the proven deposit insurance scheme in Switzerland will be further optimised.’

More information:

Jean-Marc Felix, esisuisse Media Spokesperson
jean-marc.felix@esisuisse.ch
+41 79 223 74 73

esisuisse is a self-regulatory organisation for banks in Switzerland with its registered office in Basel. Every bank with a branch in Switzerland must be a member of esisuisse.

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 covered deposits. esisuisse is also responsible for informing clients about the deposit insurance scheme in Switzerland.

You can find more information about esisuisse and the deposit insurance scheme at www.esisuisse.ch