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CASH AND TREASURY MANAGEMENT
COUNTRY REPORT

SWITZERLAND

Executive Summary

Banking

Switzerland's central bank, the Swiss National Bank (SNB), is an independent body with sole responsibility for monetary policy as well as other central bank functions, such as banker to the state, lender of last resort and issuer of notes and coin. The SNB is also charged with maintaining economic stability and growth, but regulatory supervision is undertaken by the Swiss Financial Market Supervisory Authority (FINMA).

Switzerland imposes no central bank reporting requirements and Swiss banking law makes no distinction between accounts held by resident and non-resident entities. As such, both resident and non-resident entities may hold fully convertible domestic and foreign currency bank accounts within and outside Switzerland.

The banking system is dominated by Switzerland's two global universal banks, UBS and Credit Suisse, but also includes 24 cantonal (state guaranteed) banks, 57 regional and savings banks, and many domestic and foreign-owned private banks and wealth management firms. The Raiffeisen credit-cooperative organization has 271 member banks and the Swiss Post's PostFinance arm plays a major role in retail banking. A significant number of international banks are present in Switzerland.

Payments

Switzerland's SIC (SIX Interbank Clearing) system clears all payments regardless of value, but PostFinance also clears credit transfers and direct debits bilaterally.

Electronic credit transfers are the dominant cashless payment method in Switzerland and by far the most common means of business-to-business payment. Direct debits are also commonplace, and a direct debit scheme for company payments was introduced in 2006. Small companies and consumers continue to use paper-based credit transfers. Debit cards are popular for retail payments and checks are rarely used.

Liquidity Management

Switzerland's banking system provides companies with a variety of short-term investment and funding options in both Swiss francs and in euros. Interest on current accounts is low if offered.

Cash concentration and notional pooling techniques are permitted domestically and on a cross-border basis. Companies may include accounts from different legal entities in their liquidity management structures. Cash concentration techniques are more popular than pooling, as banks are not permitted to offset debit and credit balances for regulatory reasons.

Trade Finance

A member of the European Free Trade Association (EFTA), Switzerland has established bilateral trade agreements with the European Union (EU) and other major trading partners. Switzerland requires licenses and imposes taxes for certain types of imports, and levies VAT on all imports.

PNC's International Services

PNC can bring together treasury management, foreign exchange, trade finance and credit capabilities to support your international needs in a coordinated and collaborative way.

International Funds Transfers

International Funds Transfers to over 130 countries in USD and foreign currency can be accessed through PINACLE®, PNC's top-rated, online corporate banking portal.

Multicurrency Accounts

Set up demand deposit accounts that hold foreign currency instead of U.S. dollars. These accounts offer a simple and integrated way to manage and move money denominated in more than 30 currencies, including offshore Chinese Renminbi. You can easily view deposit and withdrawal details through PINACLE.

PNC Bank Canada Branch ("PNC Canada")

PNC Bank, through its full service branch in Canada, can help you succeed in this important market. PNC Canada offers a full suite of products including payables, receivables, lending, and specialized financing to help streamline cross border operations.

Multibank Services

PNC's Multibank Services provide you with balances and activity for all your accounts held with PNC and other financial institutions around the world. PINACLE's Information Reporting module can give you a quick snapshot of your international cash position, including USD equivalent value, using indicative exchange rates for all your account balances. You can also initiate Multibank Transfer Requests (MT101s), and reduce the time and expense associated with subscribing to a number of balance reporting and transaction systems.

Establish accounts in foreign countries

Establishing good banking relationships in the countries where you do business can simplify your international transactions. PNC offers two service models to help you open and manage accounts at other banks in countries outside the United States.

- PNC Gateway Direct comprises an increasing number of banks located in many European countries and parts of Latin America. PNC's team will serve as a point of contact for setting up the account helping with any language and time barriers and will continue to serve as an intermediary between you and the bank you select. You can access reporting and make transfers via PINACLE.
- PNC's Gateway Referral service can connect you to a correspondent banking network that comprises more than 1,200 relationships in 115 countries.

Foreign Exchange Risk Management

PNC's senior foreign exchange consultants can help you develop a risk management strategy to mitigate the risk of exchange rate swings so you can more effectively secure pricing and costs, potentially increasing profits and reducing expenses.

Trade Services

PNC's Import, Export, and Standby Letters of Credit can deliver security and convenience, along with the backing of an institution with unique strengths in the international banking arena. PNC also provides Documentary Collections services to both importers and exporters, helping to reduce payment risk and control the exchange of shipping documents. We assign an experienced international trade expert to each account, so you always know your contact at PNC and receive best-in-class service. And PNC delivers it all to your computer through advanced technology, resulting in fast and efficient transaction initiation and tracking.

Trade Finance

For more than 30 years, PNC has worked with the Export-Import Bank of the United States (Ex-Im Bank) and consistently ranks as a top originator of loans backed by the Ex-Im Bank both by dollar volume and number of transactions.[1]

Economic Updates

Receive regular Economic Updates from our senior economist by going to pnc.com/economicreports.

(1) Information compiled from Freedom of Information Act resources.

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Financial Environment

Country Information

Geographical Information

Capital	Bern/Berne
Area	41,277 km^2
Population	8.18 million
Official languages	German, French, Italian
Political leader	Head of State and Executive — Federal President Johann Schneider-Ammann for 2016 (Doris Leuthard for 2017)

Business Information

Currency (+ SWIFT code)	Swiss franc (CHF)
Business banking hours	Business: 09:00–18:00 (Mon–Fri) Banking: 08:30–16:00 or 10:00–19:00 (Mon–Fri)
Bank holidays	2016 — December 25, 26 2017 — January 1, 2, April 14, 17, May 1, 25, June 5, August 1, December 25, 26 2018 — January 1, 2, March 30, April 2, May 1, 10, 25, August 1, December 25, 26 Source: www.goodbusinessday.com
International dialing code	+ 41

Country Credit Rating

FitchRatings last rated Switzerland on October 7, 2016 for issuer default as:

Term	Issuer Default Rating
Short	F1 +
Long	AAA
Long-term rating outlook	Stable

Source: www.fitchratings.com, December 2016.

Economic Statistics

Economics Table

		2010	2011	2012	2013	2014
GDP per capita	(USD)	74,162	87,943	83,028	84,462	86,200
GDP	(CHF billion)	606	619	624	636	648
GDP	(USD billion)	581	697	666	686	708
GDP volume growth*	(%)	+ 2.9	+ 1.9	+ 1.1	+ 1.9	+ 2.0
BoP (goods, services & income) as % GDP		16.5	8.9	11.6	12.9	11.3
Consumer inflation*	(%)	+ 0.7	+ 0.2	– 0.7	– 0.2	Ø
Population	(million)	7.83	7.92	8.02	8.12	8.21
Unemployment	(%)	3.8	3.1	2.9	3.2	3.2
Interest rate (local currency MMR) †	(%)	0.04	0.07	– 0.02	0.01	– 2.00
Exchange rate‡	(CHF per USD)†	1.0429	0.8880	0.9377	0.9269	0.9162

		2015			2016	
		Q3	Q4	Year	Q1	Q2
GDP per capita	(USD)	–	–	79,996	–	–
GDP	(CHF billion)	–	–	639	–	–
GDP	(USD billion)	–	–	664	–	–
GDP volume growth*	(%)	+ 0.5	+ 0.3	NA	+ 0.7	NA
BoP (goods, services & income) as % GDP		–	–	13.3	–	–
Consumer inflation*	(%)	– 1.4	– 1.4	– 1.1	– 1.0	– 0.4
Population	(million)	–	–	8.30	–	–
Unemployment	(%)	3.2	3.3	3.3	3.6	3.2
Interest rate (local currency MMR) †	(%)	– 1.00	– 1.00	– 1.16	– 1.10	– 1.75
Exchange rate‡	(CHF per USD)†	0.9647	0.9908	0.9624	0.9947	0.9705

*Year on year. †End period. ‡Market rate.

Sources: *International Financial Statistics*, IMF, September 2016 and 2015 Yearbook.

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Sectoral Contribution as a % of GDP

Agriculture – 0.7%

Industry – 25.7%

Services – 73.6% (2015 estimate)

Major Export Markets

Germany (14.2%), USA (10.6%), Hong Kong (8.7%), India (7.3%), China (6.9%), France (6.1%), Italy (5.4%), UK (4.8%)

Major Import Sources

Germany (20.7%), UK (12.8%), USA (8.1%), Italy (7.8%), France (6.7%), China (5.1%)

Political and Economic Background

Economics

Interest Rate Management Policy

Switzerland's independent central bank, the Swiss National Bank, is responsible for monetary policy and sets interest rates to achieve the goal of price stability.

Foreign Exchange Rate Management Policy

The Swiss franc (CHF) is a free floating currency. The central bank does have the right to intervene in the foreign exchange market, but does so rarely, when it would typically use the US dollar. As one of world's most liquid and stable currencies, the Swiss franc is often used as a reserve currency.

Major Economic Issues

Switzerland has one of the most stable and prosperous economies in the world (and has topped the World Economic Forum's competitiveness rankings for eight consecutive years), its success built on a strong financial services sector and high-technology industries including pharmaceuticals, biotechnology and precision engineering. Although Switzerland remains independent from its European Union (EU) neighbors, it trades heavily with countries from the bloc (and many beyond) via a series of bilateral trade treaties. Moreover, Switzerland is an attractive location for many international companies and organizations due to its accommodating fiscal and regulatory regime and its sophisticated financial services sector.

Traditionally valued by clients for its secrecy, Switzerland's private banking and wealth management sector faces considerable upheaval from the increased levels of transparency and "know your customer" regulations imposed on all financial institutions in response to global terrorism. The government agreed in March 2009 to loosen its secrecy laws in line with OECD rules, responding to requests in suspected cases of tax evasion or fraud. All exchanges of banking data with other countries are also viewed independently. Switzerland has agreed EU-approved tax repatriation deals with the UK and Austria. These agreements require foreign nationals (from those countries) with Swiss bank accounts to pay tax on interest earned.

A Swiss-US tax deal was agreed in August 2013, allowing individual Swiss banks to avoid prosecution in the USA if they agreed to pay substantial fines, disclose all their cross-border activities, provide details on US citizens' accounts, and disclose information on the sources/destinations of transferred funds with regard to US citizens' secret accounts. Fourteen Swiss-based banks have been under investigation in the USA on suspicion of aiding US citizens' tax avoidance; a large USD 2.8 billion penalty was imposed on Credit Suisse in May 2014. Over 40 Swiss banks signed disclosure agreements with the US Justice Department in 2015, paying combined penalties of USD 354.5 million.

On May 27, 2015, Switzerland and the EU signed a deal intended to prevent tax evasion. EU residents will thus be prevented from hiding undeclared income in Swiss bank accounts from 2018 onwards. Both Switzerland and the EU will be obliged to exchange information on their respective citizens' bank accounts.

Recent performance has demonstrated that Switzerland's economy is not immune to the effects of the global slowdown. Switzerland's rate of economic growth fell in 2011 (from 2.9% to 1.9%) and 2012 (to 1.1%) partly as a result of worsening financial conditions within the eurozone. Growth rebounded in 2013 and 2014 to 1.9% and 2.0% respectively before falling to an estimated 0.8% in 2015. Consumer price inflation meanwhile fell to 0.2% in 2011 before consumer prices then fell by 0.7% in 2012 and by 0.2% in 2013. Inflation stagnated in 2014 at 0% before another 1.1% fall in consumer prices in 2015.

The SNB began selling CHF on international currency markets in March 2009 to decrease its value against other currencies and boost exports. However, by early 2011, the strength of the CHF was reaching record levels against major world currencies. Consequently the SNB maintained a minimum exchange rate of CHF 1.20 per EUR 1 between September 2011 and January 2015. The CHF immediately jumped by 20% in value against the EUR, thus affecting Swizerland's export market.

On January 15, 2015, the benchmark interest rate's target range changed to between -1.25% and -0.25%. Negative interest also applies to balances above a certain threshold.

Politics

Government Structure

Switzerland (officially the Swiss Confederation) is a federal republic, in which the head of the executive, the Federal President, simultaneously serves as the head of state. Any powers not explicitly wielded at federal level are devolved to Switzerland's 26 regions or cantons. The regional system of government varies widely between cantons, and a further level of local government is provided by approximately 3,000 municipalities, the powers of which differ from canton to canton.

Executive

The executive power of the Swiss government resides in the seven-member Federal Council or cabinet. Membership of the Federal Council is determined by the number of seats held by Switzerland's main political parties in the National Council and as such is elected every four years. The Federal Assembly elects the Federal President and Vice-President from the seven Federal Council members to serve a single-year term.

Legislature

Switzerland has a bicameral Federal Assembly, consisting of a Council of States and a National Council, the members of which are elected by cantonal ballots.

The 46 members of the Council of States are each elected to serve four-year terms. The 20 largest cantons elect two representatives while the six smallest (formerly half-cantons) only elect a single representative.

The 200 members of the National Council are also elected for four years, by proportional representation. Like the US House of Representatives, each canton's representation in the National Council is determined by population size. The next elections to the National Council are scheduled for October 2015.

International memberships

Although known for its political neutrality, Switzerland is a member of a number of international bodies and home to many more. It is a member of the European Free Trade Association (EFTA), as well as the Council of Europe, the Organization for Economic Cooperation and Development (OECD), the Bank for International Settlements (BIS), and the G-10 group of developed industrial nations.

Major Political Issues

Switzerland has often pursued collaboration on economic and trade matters. It has been a member of EFTA since 1960 and has developed close bilateral relationships with major trading partners within the EU and globally. Switzerland's long political traditions of democracy and neutrality mean that the country's relationship with the EU is under constant scrutiny. Swiss voters rejected EU membership in a 2001 referendum (all large political decisions are put to a popular vote). The Swiss voted in favor of joining the United Nations in 2002, but have opted against accepting membership of the EU. On June 22, 2016, the Swiss parliament voted to invalidate its 1992 application to join the EU.

Switzerland was the first non-European Economic Area (EEA) country to become part of the EU passport-free zone by signing up to the Dublin and Schengen agreements. However, this is being gradually reversed. Immigration quotas on workers from the eight 2004 accession countries were reimposed in 2013 and Switzerland refused to sign a reciprocal free movement agreement with Croatia. After a 2014 referendum supported the reintroduction of strict annual quotas on EU immigrants, in December 2015, the Swiss government announced plans to restrict immigration from EU states by imposing a unilateral quota by February 2017, unless a deal is reached with the EU. In September 2016, Switzerland's National Council approved a bill to regulate labour immigration from the EU which will give priority to Swiss residents, including EU citizens, over newcomers.

Switzerland's close relationship with the EU has had domestic repercussions. The nationalist Swiss People's Party (SPP) has grown in support over the last 20 years, such that it won the most votes in the last three federal elections.

In a referendum held on March 3, 2013, 68% of the electorate voted to pass a measure which obligates listed companies to grant their shareholders a binding vote at each annual general meeting on executive pay and the right to vet board appointments. Golden hellos, side contracts and severance packages for board members are to be banned. Board members are also to be barred from accepting rewards for the purchase or sale of company divisions. The constitutional change is formulated by the Bundesrat.

Taxation

Resident/Non-resident

Companies are considered to be resident in Switzerland if their legal seat (registered office) or place of effective management is located in Switzerland.

Tax Authorities

Federal, Cantonal and Communal Tax Administrations.

Tax Year/Filing

The tax year is usually the calendar year. If a company's financial year is different, the company's profit and capital in the financial year ending in that calendar year are taxed.

There is combined tax return filing for both federal and cantonal income tax purposes. A self-assessment procedure applies. Filing deadlines depend on the canton.

Consolidated returns are not permitted; each company is required to file a separate return.

Corporate Taxation

Residents are subject to taxation on their worldwide income after the deduction of business expenses. However, the tax obligation does not extend to business operations, permanent establishments (PEs) or real estate situated abroad.

Non-residents are subject to taxation on income derived from PEs and branches or from immovable property located in Switzerland.

The flat rate of corporation tax is 8.5% on profit before taxes for companies at the federal level.

The effective federal tax rate is 7.83% after deduction of income and capital taxes.

Depending on the place of the legal seat, cantonal/communal level income tax is in the range of approximately 4% to 18%.

Taking into account both the federal and cantonal/communal income tax, the combined effective income tax rate is typically between 12% and 24% for companies subject to ordinary taxation, depending on the place of residence.

There is no surtax or alternative minimum tax.

Income tax can be deducted from capital tax in some cantons (see other taxes).

Losses may be carried forward for seven fiscal years and may be used against any capital gains or income. Losses may not be carried back.

The mixed company tax privilege is granted to companies with predominantly foreign business activities. A business activity is deemed to be performed predominantly outside Switzerland if generally at least 80% of the total gross income is derived from foreign sources and at least 80% of expenses are incurred abroad. Foreign-source income of a mixed company is taxed at a combined effective rate of typically between 9%-11% (including federal tax). Swiss-source income is taxed at ordinary rates for cantonal/communal and federal income tax purposes. Incentives also are available for domiciliary companies, principal companies and finance branches. Tax holidays may apply.

Advance Tax Ruling Availability

Advance rulings may be obtained from the tax authorities on various matters, such as tax consequences of a planned transaction or the tax-privileged treatment of a company.

Withholding Tax (Subject to Tax Treaties)

Payments to:	Dividends	Interest	Royalties	Technical service fee	Branch Remittances
Resident companies	35%	0%/35%	None	None	None
Non-resident companies	0%/35%	0%/35%	None	None	None

Dividends: a federal withholding tax of 35% is levied on dividends paid to resident and non-resident companies. Resident companies can apply for a refund of the 35% withholding tax based on Swiss law.

Under the Switzerland-EU savings agreement, which grants Switzerland access to benefits similar to those under the EU Parent-Subsidiary Directive, withholding tax is reduced to 0% on cross-border payments of dividends between related companies residing in EU member states and Switzerland when the capital participation is 25% or more and certain other criteria are met. In addition, many tax treaties provide for a 0% or 5% residual withholding tax rate for qualifying investments. The repayment of nominal share capital and capital surplus is exempt from withholding tax.

No withholding tax is levied an interest. Exceptions apply to interest derived from deposits with Swiss banks, bonds and bond-like loans, which are subject to a 35% withholding tax at the federal level. Interest paid to a non-resident on receivables secured by Swiss real estate is subject to tax at source. The 35% withholding tax and the tax at source levied under domestic law can be reduced under a tax treaty.

Tax Treaties/Tax Information Exchange Agreements (TIEAs)

Switzerland has exchange of information with 111 jurisdictions through 105 double tax treaties and seven TIEAs (www.eoi-tax.org, January 2016).

On January 27, 2016, Switzerland, as part of the OECD/G20 Base Erosion and Profit Shift (BEPS) initiative, signed a multilateral co-operation agreement with 30 other countries ("the MCAA"). Under this multilateral agreement, information will be exchanged between tax administrations, giving them a single, global picture on some key indicators of economic activity within multinational enterprises (MNE).

With Country-by-Country reporting tax administrations of jurisdictions where a company operates will have aggregate information annually relating to the global allocation of income and taxes paid, together with other indicators of the location of economic activity within the MNE group. It will also cover information about which entities do business in a particular jurisdiction and the business activities each entity engages in. The information will be collected by the country of residence of the MNE group, and will then be exchanged through exchange of information supported by such agreements as the MCAA. First exchanges under the MCAA will start in 2017-2018 on 2016 information.

Other signatory countries are:-

- Australia, Austria, Belgium, Chile, Costa Rica, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Japan, Liechtenstein, Luxembourg, Malaysia, Mexico, Netherlands, Nigeria, Norway, Poland, Portugal, Slovak Republic, Slovenia, South Africa, Spain, Sweden and United Kingdom.

Transfer Pricing

Switzerland has no specific transfer pricing regulations but follows the general OECD transfer pricing guidelines and therefore applies the arm's length principle to related-party transactions.

The same principles are applied for federal and cantonal/communal purposes, irrespective of whether the transaction is domestic or international.

There are no formal documentation requirements or a specific penalty regime for transfer pricing adjustments.

Thin Capitalization

Safe haven thin capitalization rules require a minimum equity ratio for each asset class (e.g. receivables may be debt financed by 85%, investments by 70% and intellectual property by 70%). In addition, safe haven interest rates apply.

Other Measures

Measures against treaty abuse may apply, including a base erosion test.

Stamp Duty

A 1% stamp duty is levied on contributions to the equity of a Swiss company, whether in cash or in kind. A CHF 1 million exemption threshold applies to the issuance of shares. Reorganizations, such as mergers, spin-offs of corporate assets, or transfers of a company's domicile from abroad to Switzerland, typically are exempt from stamp duty.

Transfer stamp duty is levied on the transfer of ownership in securities, provided one of the parties to the transaction or one of the intermediaries is a Swiss securities dealer. The transfer stamp duty is calculated on the consideration and amounts to 0.15% for securities issued by a Swiss resident and 0.3% for securities issued by a foreign resident.

Sales Taxes/VAT (incl. Financial Services)

VAT on the sale of goods and services in Switzerland is levied on resident and non-resident enterprises, unless the taxable domestic turnover is lower than CHF 100,000. In addition, VAT is also levied on the importation of goods and services.

Affiliate companies and branches with a seat in Switzerland may form a VAT group, which would be considered as a single taxable person.

Non-residents without taxable activities in Switzerland can reclaim VAT provided that their foreign activities would be taxable under Swiss law, and that their country of residence grants reciprocal treatment to Swiss companies.

The standard rate is 8%. Reduced rates of 2.5% and others exist for certain kinds of services.

A special 3.8% rate applies to the hotel and lodging industry.

Exports of goods and services are, in principle, zero-rated.

Financial services are in principle exempt from VAT as are insurance premiums, residential real estate, education, health and regulated casinos.

The acquisition and sale of intellectual property are VAT-able transactions.

Capital Gains Tax

Capital gains on business assets are treated as income for federal and cantonal/communal tax purposes.

The capital gain is calculated as the difference between the sales price and the book value of the asset sold. There is no adjustment for inflation.

Capital gains realized on fixed assets that are used in the company's business may be deferred if the gain is reinvested within a certain period of time in fixed assets performing the same function. The transfer of property outside Switzerland is precluded.

Capital gains derived from the sale of a participation of at least 10% in a resident or non-resident company benefit from participation relief if the participation has been held for more than one year.

Capital losses are treated as trading losses.

Further Changes to Tax Regime

To improve the competitiveness of the Swiss tax regime and to ensure that Swiss tax measures are in line with international standards, the existing Swiss tax regimes are expected to be replaced under the "corporate tax reform III," effective in 2019 at the earliest, by a variety of measures. Measures that would aim to improve the attractiveness of Switzerland as a location include the following:

- Reduction of the general tax rates (i.e. the cantonal/communal corporate tax rates) at the discretion of the individual cantons;
- Introduction of a patent box that would be mandatory for all cantons and applicable to all patented intellectual property for which the R&D spend occurred in Switzerland (the OECD modified nexus approach);
- Introduction of R&D incentives in the form of excess R&D deductions (super deductions) at the discretion of the individual cantons;
- Allowing the tax-privileged release of hidden reserves for cantonal/communal tax purposes for companies transitioning out of tax-privileged cantonal tax regimes (such as mixed or holding companies) into ordinary taxation in a manner that would reduce the cantonal/communal tax rate over a five-year period, such that in some cantons the previous tax-privileged rate could be maintained for five years.

Financial Transactions/Banking Services Tax

Other than transfer stamp duty (see above), there is no special tax on financial transactions.

Cash Pooling

Since August 1, 2010, intra-group loans should fall outside the scope of collective fund borrowing, which in turn excludes intra-group cash pooling activities from stamp duty and interest withholding tax.

Other Canton Taxes

Some cantons levy real property tax.

Corporate net wealth tax is imposed at varying rates, depending on the canton and the type of tax privilege (typically between 0.001% and 0.5%). The net wealth tax may be credited against income tax liability in many cantons.

Property Tax

Some cantons levy real property tax.

Payroll and Social Security Taxes

There is no general payroll tax. Payroll tax is levied on the wages of foreigners without permanent Swiss residence. For all other Swiss resident employees, wages are taxed as part of ordinary income.

There are three classes of contribution:

- Class 1 – compulsory state minimum insurance for unemployment, old age, death and permanent disability.
- Class 2 – payment into a compulsory insurance and pension plan connected with employment.
- Class 3 – private voluntary retirement and insurance plan.

Class 1 contributions are payable jointly by the employer and employee in equal proportions at a combined rate of 10.9%.

Employers and employees are also liable to compulsory Class 2 contributions. The portion payable by the employer must at least equal the employee's portion.

Class 3 payments are voluntary and there is no standard rate.

All tax information supplied by Deloitte Touche Tohmatsu and Deloitte Highlight 2016 (www.deloitte.com).

Cash Management

Banking System

Banking Regulation

Banking Supervision

Central bank

Switzerland's central bank, the Swiss National Bank (SNB), is an independent institution whose responsibilities and authority are framed by the Federal Constitution, the National Bank Act of October 3, 2003, and the National Bank Ordinance of March 18, 2004.

The SNB has no formal role in bank supervision, but is responsible for maintaining a favorable environment for economic stability and growth. In addition to management of monetary policy (with the aim of achieving price stability), the SNB fulfills other typical central banking functions such as banker to the Swiss Confederation, lender of last resort and issuer of notes and coin.

The central bank is also responsible for promotion of payment system efficiency and shares responsibility for the operation of the Swiss payment system with the major banks and the Swiss postal service.

Other banking supervision bodies

On January 1, 2009, the Federal Act on the Swiss Financial Market Supervisory Authority (FINMASA) of June 22, 2007 came into force. Under this legislation, Switzerland's three supervisory bodies (the Swiss Federal Banking Commission – SFBC, the Federal Office of Private Insurance and the Anti-Money Laundering Control Authority) were merged into one, the Swiss Financial Market Supervisory Authority (FINMA). It is an independent entity, answerable to the government.

In addition, the Swiss banking industry practices self-regulation through the Swiss Bankers' Association, which lays out standards and rules for the conduct of banking business in Switzerland. There are separate associations for foreign, cantonal and Raiffeisen banks.

Central Bank Reporting

Switzerland imposes no central bank reporting requirements for balance of payments purposes.

Exchange Controls

Exchange structure

The value of the Swiss franc (CHF) is determined by market forces and the SNB intervenes only rarely.

On January 15, 2015, the SNB abandoned the cap, imposed over three years previously, on the value of the CHF against the euro (EUR) . The minimum exchange rate no longer applies.

Standing reciprocal currency swap arrangements are currently in place between SNB, the European Central Bank, the Bank of England, the Bank of Canada, the Bank of Japan, and the Federal Reserve. The standing arrangements comprise a network of bilateral liquidity swap lines agreement among the six central banks and are to remain in place until further notice. The SNB has also entered into a bilateral swap arrangement with the People's Bank of China. Direct trading between the CHF and Chinese renminbi (RMB) has been in effect since November 2015.

Classification

The currency is free floating.

Exchange tax

There is no exchange tax.

Exchange subsidy

There is no exchange subsidy.

Forward foreign exchange market

There are no restrictions on forward foreign exchange markets.

Capital flows

There are controls on foreign investment in real estate, airlines, shipping (vessels on the Rhine or providing commercial maritime transport), film distribution, broadcasting, and certain energy sectors.

Loans, interest and repayments

There are no restrictions on the provision of loans by commercial banks or on the payment of interest.

Royalties and other fees

There are no restrictions.

Profit remittance

There are no restrictions on the remittance of profits into or out of Switzerland.

Bank Account Rules

Switzerland makes no distinction between accounts held by resident and non-resident entities. As such, any legal entity may hold a local or foreign account domestically or abroad. All accounts held in domestic currency are fully convertible into foreign currency.

Interest-bearing current accounts are permitted, but are rarely offered and generally provide low levels of return. Overdraft facilities on current accounts are commonly used for short-term financing.

Account opening information is available in all official languages (i.e. French, German, Italian). Electronic signatures have been in use since January 2005. The account holder's identity must be established in accordance with the Agreement on the Banks' Obligation of Diligence and the 1998 Money Laundering Law.

Anti-money Laundering and Counter-terrorist Financing

- Switzerland has enacted anti-money laundering legislation, including legislation in line with the first three EU anti-money laundering directives and counter-terrorist financing legislation (Money Laundering Law of 1998, as amended; the Federal Act of 12 December 2014; various Money Laundering Ordinances from the Swiss Banking Federation and Regulation of December 2010 from the Federal Financial Market Supervisory Authority).
- A Financial Action Task Force (FATF) member, Switzerland observes most of the FATF-49 standards.
- Switzerland has established a financial intelligence unit (FIU), the Money Laundering Reporting Office – Switzerland (MROS), which is a member of the Egmont Group.
- Account opening procedures require formal identification of the account holder and in some cases the economic beneficiary.
- Banks have to identify clients for transactions above CHF 25,000. In the case of other businesses, it is up to self-regulatory bodies to set thresholds for client identification. For bilateral credit cards the threshold is CHF 5,000 per month per client.
- Relationships with shell banks are prohibited.
- All cross-border wire transfers must contain identifying details about the funds' remitters, although banks and other covered entities may omit such information for "legitimate reasons".
- In the case of high-risk business relationships and cash transactions exceeding CHF 100,000 in cash, enhanced due diligence is required.
- Financial institutions in the broadest sense are required to record and report suspicious transactions to the MROS.
- Records must be kept for at least ten years after the termination of the business relationship.

Data as at January 2016.

Banking Sector Structure

Major Domestic Banks

Bank	Total assets (USD million) December 31, 2015
UBS	941,843
Credit Suisse Group	802,727
UBS Switzerland	284,749
Raiffeisen Schweiz Genossenschaft	205,440
Zürcher Kantonalbank	154,179
PostFinance	114,297
Bank Julius Baer	58,864*
Banque Cantonale Vaudoise	43,353
Migros Bank	42,168
Basler Kantonalbank	38,456

* Figures from December 31, 2012.

Source: www.accuity.com

Overall Trend

The structure of the Swiss banking system reflects both the country's federal structure and the strict privacy laws that have made it a global center for private banking and wealth management services. Of the 267 independent banks operating in Switzerland, there are 24 cantonal banks (which operate under a state guarantee), 28 branches of foreign banks and 57 regional and savings banks. Many of the remainder are private banks or wealth management firms, ranging from family-owned boutiques to the specialist arms of global financial institutions. There are also 58 representative offices of foreign banks.

In addition, the Raiffeisen credit-cooperative organization has 271 member banks, and PostFinance, the financial services arm of Swiss Post, has a large share of the retail market.

The two largest Swiss banking groups, UBS and Credit Suisse, dominate the domestic banking landscape. Ranking among the biggest global financial institutions, the two banks offer retail, corporate, private and investment banking and asset management services to clients around the world. Switzerland's three largest banks accounted for 47.1% of total assets in 2015.

The Swiss government provides protection for all privileged deposits with assets up to CHF 100,000 per depositor. In the event of an insolvent bank, the government will immediately pay CHF 5,000 to each customer and move to quickly disburse all liquidity available.

Drawn by an attractive legal and tax framework and a number of large international companies, a number of international banks offer a range of wholesale banking services in Switzerland, including cash management and custody, in addition to their private banking operations.

Payment Systems

Overview

SIX Interbank Clearing operates the SIC real-time gross settlement system which can process all domestic payment types as well as domestic and cross-border euro payments. SIX Interbank Clearing is part of SIX (Swiss Infrastructure and Exchange) Group, the infrastructural provider for Switzerland's financial market, and a member of the EACHA (European Automated Clearing House Association).

SIC's integrated platform, multiSIC, processes high-value, urgent payments denominated in both Swiss francs and euros. Euro payments are effected by the euroSIC sub-system using SIC's swisseuroGATE, which can connect to the pan-European TARGET2 RTGS system, plus Germany's EMZ (retail payment system), STEP2 (the pan-European ACH) and STEP1.

PostFinance also operates a separate bilateral clearing system for retail payments. This system is widely used for credit transfers and direct debits, as most banks and companies in Switzerland hold PostFinance accounts.

The Swiss National Bank is responsible for the efficient operation of the Swiss payment infrastructure and acts as settlement center between participant banks as well as between PostFinance and the banks.

High-value

Name of system	SIX Interbank Clearing (SIC)
Settlement type	Real-time gross settlement
Settlement cycle	Payments are settled on a same-day basis if received before the relevant cut-off time. Payments can be submitted up to five days in advance. CHF payments are settled across participants' accounts held at the SNB. EUR payments are settled by the Swiss Euro Clearing Bank (SECB) based in Frankfurt, which participates in the German component of TARGET2, TARGET2-Bbk.
Links to other systems	Links to TARGET2-Bbk, plus EMZ (Germany's retail payment system), STEP2 (the pan-European ACH) and STEP1 via swisseuroGATE. SIC also links directly to the Swiss central securities settlement system (SECOM) and SWX, the electronic trading system of the Swiss Stock Exchange.
Payments processed	High-value and urgent electronic payments, both domestic and cross-border, plus low-value credit transfers, direct debits, card payments and paper-based instruments, including checks. euroSIC can process SEPA payments. Migration to the ISO 20022 payment message standard commenced in July 2015 for euroSIC.
Currency of payments processed	CHF and EUR
Value and other limits to processing	No minimum value threshold is in place.
Operating hours	Almost 24 hours a day, Monday to Friday. It is closed between 16:15 and 17:00 CET.
System holidays Source: www.goodbusinessday.com	2016 — December 25, 26 2017 — January 1, 2, April 14, 17, May 1, 25, June 5, August 1, December 25, 26 2018 — January 1, 2, March 30, April 2, May 1, 10, 25, August 1, December 25, 26
Cut-off times	15:00 CET for customer payments and 16:00 CET for interbank payments; payments received after the relevant cut-off times are processed for next-day settlement.
Participants	There are 350 for CHF payments and 190 for EUR payments (the euroSIC sub-system). All banks and securities dealers in Switzerland are eligible. Remote participation is permitted from countries with acceptable standards of bank supervision and anti-money laundering legislation.

Access to system	Payments are submitted online, using SIC and SWIFT formats, either directly or through computer centers.
Future developments	Migration to the ISO 20022 payment message standard commenced in July 2016 for SIC CHF payments. All euroSIC and SIC participants are to have switched over by mid-2018. All payment message traffic will then occur using the ISO 20022 or SWIFT FIN standard. SIC operating hours are expected to be extended by two addional hours in 2017.

Low-value

Name of system	PostFinance
Settlement type	Bilateral clearing system for retail payments
Settlement cycle	Urgent payments can be settled on a same-day basis via SIC if received by 13:00 CET; most payments are processed bilaterally via banks' PostFinance accounts.
Links to other systems	Links to SIC for urgent payments.
Payments processed	Credit transfers and direct debits
Currency of payments processed	CHF
Value and other limits to processing	There are no value thresholds.
Operating hours	24 hours a day
System holidays Source: www.goodbusinessday.com	2016 — December 25, 26 2017 — January 1, 2, April 14, 17, May 1, 25, June 5, August 1, December 25, 26 2018 — January 1, 2, March 30, April 2, May 1, 10, 25, August 1, December 25, 26
Cut-off times	NA
Participants	All banks in Switzerland
Access to system	Payments are submitted via PostFinance's proprietary format, EZAG, or on diskette.
Future developments	NA

Payment and Collection Instruments

Overview and Trends

Credit transfers accounted for 48.3% of all cashless payments by volume and for 96.6% by value in Switzerland in 2015. Use of checks has continued to decrease even further in recent years, while debit and credit cards are an increasingly popular method, especially for retail payments.

Since January 1, 2008, all debit cards issued by banks in Switzerland have been Single Euro Payments Area (SEPA)-compliant. The country's banks have offered pan-European SEPA credit transfers (SCTs) for EUR-denominated payments since January 28, 2008. SEPA direct debits (SDDs) have been available since November 2, 2009. SEPA migration for EUR-denominated payments outside the eurozone was finalized on October 31, 2016.

Statistics of Instrument Usage and Value

	Transactions (million)		% change	Traffic (value) (CHF billion)		% change
	2014	2015	2015/2014	2014	2015	2015/2014
Checks	Neg	Neg	-	Neg	Neg	-
Debit cards	508.76	668.90	31.5	36.08	44.31	22.8
Credit cards	269.71	296.45	9.9	34.51	34.85	1.0
Credit transfers	961.28	976.01	1.5	4,003.37	4,653.24	16.2
Direct debits	57.70	58.52	1.4	85.05	81.83	- 3.8
Card-based e-money	NA	NA	-	NA	NA	-
Total	**1,797.45**	**2,022.38**	**12.5**	**4,159.01**	**4,815.77**	**15.8**

Neg = Negligible NA = Not available

Source: Bank for International Settlements, *CPMI Red Book* statistical update, December 2016.

Paper-based

Credit Transfers

Although commonly used by smaller companies and private individuals for bill payments, paper-based credit transfers are gradually being replaced by electronic payment alternatives.

Paper-based order forms are truncated for electronic processing via SIC.

Checks

Never as widely used as in other countries, checks have been virtually eclipsed by electronic payment methods. Most checks issued are postal checks.

Checks are truncated for electronic processing and are cleared bilaterally on a next-day basis. Final settlement is achieved via SIC.

Electronic

Credit Transfer

Electronic credit transfers are the dominant payment instrument in Switzerland and are used both by companies for both commercial (e.g. salaries, tax and supplier) and treasury payments as well as in the retail market.

Domestic and cross-border electronic credit transfers in EUR can now be made using the SEPA credit transfer (SCT) format. There are 186 banks from the CHF zone (175 banks from Switzerland and 11 from Liechtenstein) currently participating in the SCT scheme.

High-value

High-value and urgent credit transfers in Swiss francs and euros are settled on a same-day basis if received before 15:00 CET by SIC.

Cross-border EUR-denominated credit transfers can be settled via SIC's swisseuroGATE connection to the pan-European TARGET2 RTGS system (via the participation of the Frankfurt-based SECB in Germany's TARGET2-Bundesbank component). The SECB can function as a correspondent bank for third-party payments.

Cross-border credit transfers can also be made via a combination of SWIFT connectivity, correspondent banking relationships and branch network capabilities.

Low-value

Low-value and non-urgent credit transfers are settled by SIC overnight for next-day value. They can be submitted up to five days in advance of settlement by use of priority codes.

Low-value cross-border transfers can be processed through banks' traditional correspondent banking relationships or networks.

Low-value, EUR-denominated cross-border transfers can be processed via the EBA's STEP1 or STEP2 systems, in which the SECB participates. euroSIC links to the EBA's systems via the SECB using swisseuroGATE. SEPA credit transfers (SCTs) can be cleared bilaterally between euroSIC participants and those of the Dutch retail payment system operated by EquensWorldline.

EBA Clearing and Italy's SIA Group (which already serves as a technical operator for STEP2) have agreed to develop and implement a pan-European real-time infrastructure for instant EUR payments by the fourth quarter of 2017. The service will align with the ISO 20022 global messaging standards for instant payments.

Direct Debits

Direct debits (*Lastschriftverfahren* or LSV) are steadily increasing in usage both for regular retail payments (e.g. subscriptions, insurance premiums and household bills) and in the corporate sector. Direct debits can be used to collect payments up to 60 days in advance; standing orders are also available.

In November 2005, LSV+ scheme introduced a standard right of refusal by the debtor for all direct debit agreements. However, the Business Direct Debit (BDD) scheme, launched in July 2006 for use by companies, does not include this right of refusal.

Direct debits are initiated using SIX Paynet's payCOMweb online application. SIC clears direct debits in both CHF and (via euroSIC) EUR through the LSV+ and BDD procedures.

SEPA direct debits (SDDs) have been available since November 2, 2009, enabling the execution of cross-border EUR-denominated direct debits. There are currently 12 SEPA B2B Direct Debit participants and 15 SEPA Core Direct Debit participants from Switzerland and Liechtenstein.

STEP2 provides a cross-border SDD processing service. The Swiss Euro Clearing Bank (SECB) also provides SDD clearing. SDDs can also be cleared bilaterally between euroSIC participants and those of the Dutch retail payment system operated by EquensWorldline.

Payment Cards

Debit and credit cards are increasing in popularity for retail payments in Switzerland. There were 10.2 million debit cards and 6.4 million credit and charge cards in circulation at the end of September 2016.

Visa (including Visa V PAY), Maestro and Postcard debit cards are issued in Switzerland as well as Visa, MasterCard, American Express and Diners Club credit cards.

All payment cards in circulation are SEPA-compliant EMV chip cards.

Card payments are usually cleared through SIC. American Express card payments are cleared by the international credit card company.

ATM/POS

Switzerland's banks and the Swiss Post Office operate separate national ATM (Bancomat and Postomat) and EFTPOS networks. At the end of 2015, there were 6,966 ATMs and 250,578 EFTPOS terminals in Switzerland.

Electronic Wallet

There were 2.3 million e-money cards in circulation at the end of September 2016.

The CASH program closed at the end of 2013.

MasterCard's digital payment solution , MasterPass, jointly provided in Switzerland by SIX Payment Services and MasterCard, enables online purchases by MasterCard, Visa and American Express payment card holders in Switzerland via PCs and mobile devices.

The SwissWallet electronic wallet payment platform, a joint venture by Aduno Group, Netcetera and AECS Swisscard, was launched in November 2015, in cooperation with MasterPass. SwissWallet is connected to MasterPass and can also be used by MasterCard, Visa and American Express card holders in Switzerland for online shopping.

Postal Giros

Commonly used for retail payments, postal giros are cleared by the PostFinance system, with the final settlement achieved via SIC on a same-day basis if initiated by 13:00 CET.

Liquidity Management

Short-term Borrowing

Overdrafts

Both resident and non-resident entities may arrange overdrafts on their current accounts.

Banks will usually charge interest at a margin over Swiss franc Libor (London InterBank Offered Rate).

Bank Lines of Credit/Loans

Resident and non-resident entities can arrange short-term bank loans denominated in both Swiss francs and major foreign currencies from local and foreign banks.

Typical tenor is 12 months and interest is fixed for the period of the loan in advance.

Trade Bills – Discounted

Discounted trade bills are available from banks from tenors between 90 and 180 days, with shorter maturities the most popular.

Factoring

The demand for factoring services has increased in Swirtzerland in recent years. Factoring is currently available from eight companies in Switzerland, including UBS and Credit Suisse. Factoring interest rates are usually at a margin over Swiss franc Libor.

Commercial Paper

CHF-denominated commercial paper is issued by Swiss and other companies with sufficiently high credit ratings into the eurocommercial paper (ECP) market. The market offers access to a large and highly liquid market, but the cost of establishing a program and securing a published credit rating limits participation. Typical maturities range from one to six months.

Bankers' Acceptances

Bankers' acceptances are not used in Switzerland.

Supplier Credit

Supply credit is neither widely sought nor offered as Swiss business practice is for prompt payment.

Intercompany Borrowing, including Lagging Payments

Intercompany lending is permitted in Switzerland on an informal basis.

Short-term Investments

Interest Payable on Bank Account Surplus Balances

Interest-bearing current accounts are permitted for both resident and non-resident entities, but rarely offered; interest rates are typically very low. Interest-bearing call deposit accounts are also available.

Time Deposits

Time deposits are available in CHF for maturities from overnight to more than a year. In some cases, a minimum deposit is required. Deposits of three to six months are most commonly used by Swiss companies.

Certificates of Deposit

Certificates of deposit (CDs) are not commonly used as investment instruments as they are not generally issued with maturities below one year.

Treasury (Government) Bills

Money market debt register claims are issued in denominations of CHF 50,000 through weekly auctions held by the Swiss National Bank (on the government's behalf) for maturities of three, six, nine and 12 months.

SNB bills in CHF are also issued by the SNB in denominations of CHF 1 million through weekly auctions for maturities on one week to one year. SNB USD bills are issued in denominations of USD 500,000 through auctions held by the Swiss National Bank every two weeks for maturities of one, three and six months.

Commercial Paper

There is no local commercial paper market in Switzerland, but some Swiss companies and financial institutions are issuers in the European commercial paper market.

Money Market Funds

Money market funds are offered in most major currencies by a number of banks in Switzerland for short-term investment purposes. Most funds are domiciled through Luxembourg-based affiliates for tax efficiency.

Repurchase Agreements

Switzerland has an active repurchase agreement (repo) market with approximately 100 domestic and foreign participants.

Bankers' Acceptances

Switzerland has no formal market in bankers' acceptances.

Liquidity Management Techniques

The presence of the world's leading cash management banks (in addition to local banks UBS and Credit Suisse) and a benign regulatory and fiscal regime means that all common liquidity techniques are widely available in Switzerland. A large number of companies have located their European or global treasury operations in Switzerland to take advantage of these benefits, as well as its central European location, communications network and highly educated workforce.

Cash Concentration

Most cash concentration services are widely available from local and international banks for domestic and cross-border liquidity management purposes. As such, techniques such as zero- or target-balancing and cross-border physical sweeps are practiced by many companies located in Switzerland. As Switzerland makes no distinction between resident and non-resident accounts, it is possible to include resident and non-resident accounts, as well as accounts from different legal entities, within the same liquidity management structure.

Notional Pooling

Domestic and cross-border notional pooling is permitted but more rarely used than cash concentration. This is because Swiss banking law does not permit offset of credit and debit balances, thus making notional cash pools expensive compared with physical cash concentration. It is possible to include resident and non-resident accounts, as well as accounts from different legal entities, within the same structure. Cross-currency notional pooling is permitted.

Business Coordination Centers

Swiss and international companies have established centralized treasury operations in Switzerland under a tax-efficient structure known as a business coordination center. Switzerland's tax-efficient status is based on a combination of low corporate income tax and its network of tax treaties. Group transactions which give rise to profits in Switzerland are closely scrutinized by foreign tax authorities.

Trade Finance

General Rules for Importing/Exporting

Switzerland is a member of EFTA (with Iceland, Liechtenstein and Norway), although it decided not to participate in the EEA. EFTA established free trade agreements with a number of countries as well as with several regional trade blocs.

Separately, Switzerland has negotiated a number of bilateral free trade agreements (i.e. a free trade agreement for industrial products and sector-specific free trade agreements) with the EU and its constituents. Because of its close trading links with EU countries, much of Switzerland's trade finance regulations and practices are in line with the EU customs code. Switzerland has separately established free trade agreements with China, Japan and the Faroe Islands.

Switzerland has ratified the WTO's Trade Facilitation Agreement alongside 101 other WTO members.

Imports

Documentation Required

Imports should be accompanied by a detailed commercial invoice, customs declaration, bill of lading, packing list and, in some cases, a certificate of origin.

Import Licenses

Licenses are principally required for agricultural imports (some of which are subject to quotas), as well as certain controlled imports such as armaments and war material.

Import Taxes/Tariffs

Customs duties are applied by weight rather than value of imported goods. Tariffs on industrial imports are generally low (averaging 0.29%), but are higher on agricultural imports (averaging 5.24%).

A standard 8% VAT rate applies to imports.

Thirty free zones are in operation in Switzerland.

Financing Requirements

There are no particular financing requirements for imports.

Risk Mitigation

Switzerland does not operate a national risk mitigation program for importers.

Prohibited Imports

Switzerland imposes strict controls on arms and selected other imports considered to harm public health or to pose a threat to national security or indigenous wildlife.

Imports of 80% proof alcohol and salt are prohibited (unless prior authorization has been given) under the terms of a state monopoly (cantonal monopoly in the case of salt).

Import of rough diamonds are only permitted under the terms of the Kimberley Process Certification Scheme.

Exports

Documentation Required

Exports should be accompanied by a commercial invoice, customs declaration, bill of lading and, in some cases, a certificate of origin.

Proceeds

There are no restrictions on the use of export proceeds.

Financing Requirements

There are no particular financing requirements for exports.

Export Licenses

Controlled products such as armaments, war material and dual-use items require export licenses.

Export Taxes/Tariffs

Switzerland does not levy taxes or tariffs on exports.

Risk Mitigation

Export financing is available from leading commercial banks.

Swiss Export Risk Insurance (SERV) is the country's official export credit agency and provides state-supported credit insurance for exports from Switzerland. Export credit insurance is also available from other private entities.

Prohibited Exports

Switzerland operates a list of prohibited exports and observes the Kimberley Process Certification Scheme on trade of rough diamonds.

Information Technology

Electronic Banking

Electronic and internet-based banking services are widely available to companies and individuals in Switzerland. International cash management banks including UBS and Credit Suisse provide large corporate clients with intra- and end-of-day balance reporting and automated cash sweeps across domestic and cross-border accounts, as well as payment initiation and processing capabilities. No national technology standard exists for electronic banking in Switzerland but use of UN/EDIFACT standards for electronic communication between companies and banks is common.

An electronic bill presentment and payment (EBPP) service has been developed by SIX and PostFinance. The e-bill service is offered by 89 banks and 940 companies and public authorities in Switzerland to over 1 million customers. The service can be used for business-to-business and business-to-consumer payments in multiple currencies and across multiple banks.

Direct debits, credit transfers and card payments can be initiated online Monday to Friday, via the use of SIX Payment Services' Saferpay Secure PayGate solution.

External Financing

Long-term Funding

Bank Lines of Credit/Loans

Bank loans are available for tenors from one to five years to domestic and foreign-owned companies in CHF and major currencies. In addition to bilateral loan agreements, syndicated loans are also available for larger funding requirements.

Interest rates are reset at rollover dates, referenced against Swiss franc Libor or Swiss banks' cash bonds. Banks will usually require collateral on loans.

Leasing

Lease finance is well-established and available for capital goods, vehicles, heavy machinery, plant and property.

Bonds

Domestic and foreign-owned companies may issue debt in Swiss francs. Firms that wish to issue a public bond in Switzerland must advertise and have a prospect available locally. Straight and convertible bonds are issued at fixed or floating rates.

Private Placement

Listed and private firms, both domestic and foreign-owned, may issue securities for private placements in Switzerland. Typical maturities are five and seven years.

Asset Securitization / Structured Finance

The presence of so many leading investment banks in the Swiss capital markets means that companies in Switzerland can select from a range of innovative asset-backed securitization and structured finance solutions.

Government (Agency) Investment Incentive Schemes / Special Programs or Structures

The Swiss government does not generally use private finance or similar initiatives to fund public infrastructure projects.

Useful Contacts

National Treasurers' Association

Swiss Association of Corporate Treasurers (SwissACT) — www.swissact.ch

Association of Corporate Treasurers - Suisse Romande — www.swisstreasurer.ch

National Investment Promotion Agency

Switzerland Global Enterprise — www.s-ge.com

Central Bank

Swiss National Bank — www.snb.ch

Supervisory Authorities

Swiss Financial Market Supervisory Authority — www.finma.ch

Payment System Operators

PostFinance — www.postfinance.ch

SIX Group — www.six-group.com

SIX Interbank Clearing (SIC) — www.six-interbank-clearing.com

SIX Payment Services — www.six-payment-services.com

Swiss Euro Clearing Bank — www.secb.de

SwissWallet — www.swisswallet.ch

e-bill — www.e-bill.ch

Banks

UBS — www.ubs.com

Credit Suisse — www.credit-suisse.com

Raiffeisen Switzerland — www.raiffeisen.ch

Stock Exchange

SIX Swiss Exchange — www.six-swiss-exchange.com

Ministry of Finance

Federal Department of Finance — www.efd.admin.ch

Ministry of Economy

Federal Department of Economic Affairs, Education and Research — www.wbf.admin.ch

State Secretariat for Economic Affairs — www.seco.admin.ch

Chamber of Commerce

Chambers of Commerce & Industry of Switzerland — www.cci.ch

Bankers' Association

Swiss Bankers' Association — www.swissbanking.org

Regional Banks Association — www.rba-holding.ch

Association of Swiss Cantonal Banks — www.kantonalbank.ch

Association of Foreign Banks in Switzerland — www.foreignbanks.ch

Association of Swiss Asset and Wealth Management Banks — www.vav-abg.ch