



Media release

Contact Eveline Oehrli
Phone +41 31 323 08 94
E-mail eveline.oehrli@ebk.admin.ch
Embargo -

Bank Bankruptcy Ordinance comes into force – new depositor protection scheme prepared

The new Bank Bankruptcy Ordinance of the Swiss Federal Banking Commission (SFBC) is due to enter into force on August 1, 2005. This ordinance gives practical effect to the rules on the compulsory liquidation of banks set out in the Banking Act. The SFBC has also approved the Agreement on Depositor Protection for banks and securities dealers. The agreement, together with an amendment to the Banking Ordinance which has already been prepared, is scheduled to come into force on January 1, 2006.

July 26, 2005 – Following positive reactions in the consultation procedure, the SFBC approved the Bank Bankruptcy Ordinance at the end of June. It is being published today and comes into force on August 1, 2005.

The Bank Bankruptcy Ordinance sets out the details of a compulsory liquidation procedure for banks and securities dealers. In so doing, it implements the provisions of the new bank insolvency legislation which came into force on July 1, 2004 and designate the SFBC as the bankruptcy authority for banks and securities dealers. The aim of the ordinance is to establish a simple and efficient liquidation procedure: transparent for all involved and capable of adapting to the requirements of specific cases. For banks and securities dealers, the ordinance takes precedence over the general bankruptcy procedure.

The Bank Bankruptcy Ordinance attaches particular importance to the preservation of bank clients' privacy in liquidation proceedings. Foreign creditors are placed on an absolutely equal footing with Swiss creditors. The liquidators appointed by the SFBC are granted considerable freedom in the realisation of assets.

The Bank Bankruptcy Ordinance requires liquidators to work closely with the body implementing the new Agreement on Depositor Protection for banks and securities dealers. This self-regulatory procedure, which is prescribed by the Banking Act, was approved by the SFBC at the end of June 2005, and is scheduled to come into force on January 1, 2006. Implementation will also require the Federal Council to enact an amendment to the Banking Ordinance, which has already been prepared.



Eidgenössische Bankenkommission
Commission fédérale des banques
Commissione federale delle banche
Swiss Federal Banking Commission

The Bank Bankruptcy Ordinance and the new Agreement on Depositor Protection are important steps in the process of modernising Switzerland's bank insolvency legislation initiated after the collapse of Spar- und Leihkasse Thun in 1991.