

Gateway for Euro Payments into Switzerland.

A euro relationship with UBS without a euro account.

The advent of clearing systems

With the replacement of the European Monetary Union (EMU) currencies by the euro, the world of correspondent banking has changed dramatically. Banks within the EMU are no longer required to maintain correspondent accounts among themselves for the processing of bank-to-bank and commercial payment transactions within the euro zone. Today, euro payments can be made directly through euro clearing systems.

The dual connection to Europe and Switzerland

With remote operational access via UBS in Frankfurt, UBS has established a direct connection to the euro clearing systems RTGS^{plus} Target and EBA. Furthermore, as the leading euroSIC member, UBS has easy access to any connected beneficiary bank in Switzerland (see graph on page 2).

UBS provides the channel for payments from the euro zone into Switzerland by means of available clearing systems. Therefore, the holding of a correspondent banking account to pay euros into Switzerland is no longer a prerequisite.

euroSIC – The euro and Switzerland

The strong commercial ties between Switzerland and Euro-land have increased the importance of the euro alongside the Swiss franc in the Swiss market:

- over 60 % of all Swiss exports are destined for the European Union
- Switzerland imports almost 80 % of all goods from EU member countries

These factors have contributed to the creation in Switzerland of a substantial market for the euro commercial payments business. For this reason the Swiss banking community has established a national euro clearing system – called euroSIC – of which UBS is a founding member.

Your partner for commercial payments

By seizing the opportunities resulting from the introduction of the euro, UBS has laid the foundation to position itself as the bank for euro cross-border commercial payments into Switzerland. In order to further optimize euro payment flows and procedures, UBS has decided to channel not only bank-to-bank payments but also commercial payments to the euro zone directly through euro clearing systems. The aim is to pay the beneficiary's bank as directly as possible. In this way, a correspondent banking account in euro for the execution of your payments into Switzerland or to make payments in favour of your customers is no longer a prerequisite for an active, bilateral and mutually beneficial euro clearing relationship.

Our commitment to you

Although UBS, as a Swiss bank, is domiciled outside the European Union, it adheres to the EU Directive for cross-border payments. Furthermore, UBS goes beyond the minimum requirements by upholding the EU Directive in reference to:

- cost transparency – a competitive flat fee for BEN payment instructions,
- completion of credit transfers within one day from receipt of your instructions (see "cut-off time" section),
- completion of credit transfer according to instructions,
- compensation rules in the case of non-completed credit transfers.

In addition, UBS pays particular attention to its partners in that it has created:

- a specialized sales team for euro-related issues to respond to any questions regarding our services,
- a specialized operations and customer service team for the handling of your euro payments into Switzerland.

Last, but not least, your bank will benefit from:

- faster handling of the payment instruction thanks to the RTGS features of finality and irrevocability of payments,
- cost savings as a result of reduced cash management and account reconciliation tasks.

Keeping in mind the importance of commercial payment flows for banks, we are certain that, with our service, customers can profit from the efficiency of the existing cross-border payments clearing infrastructure. UBS is proud to address issues such as reliability, cost control and fee transparency as an integral part of its service.

Cut-off time

The cut-off time for commercial payments (both book transfers and domestic clearing) into Switzerland is 15:00 (CET).

Formatting

Commercial euro payments in favour of beneficiaries in Switzerland can be channelled through TARGET or EBA directly to our gateway UBS Frankfurt (UBSWDEFF). Instructions will automatically be routed to UBS in Switzerland with no fee deductions.

Book transfer

Receiver: UBSWDEFF
 F57 UBSWCHXXXXX
 F59 /account beneficiary
 name and address of beneficiary

Clearing transfer into euroSIC

Receiver: UBSWDEFF
 F57A BANKCHXXXXX
 or F57D //SW clearing number
 F59 /account beneficiary
 name and address of beneficiary

For more detailed information please refer to our SWIFT Formatting Guide for Payments.

Contacts

If you have any questions relating to "Gateway for Euro Payments into Switzerland", please contact your Client Relationship Director or write to the following address:

UBS AG
 Financial Institutions
 P.O. Box
 CH-8098 Zurich
 Switzerland

E-mail: b4b-clearing@ubs.com
 Internet: www.ubs.com/b4b

