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# Federal Act on National Economic Supply (National Economic Supply Act, NESA)

of 17 June 2016 (Status as of 1 January 2022)

*The Federal Assembly of the Swiss Confederation,* based on Article 102 of the Federal Constitution<sup>1</sup>, and having considered the Federal Council Dispatch dated 3 September 2014<sup>2</sup>, *decrees:* 

## Chapter 1 General Provisions

## Art. 1 Object and Purpose

This Act regulates the measures designed to guarantee the country's supply of essential goods and services in times of serious shortages that the private sector itself is unable to respond to.

## Art. 2 Definitions

In this Act:

- a. *national economic supply* means supplying the country with essential goods and services;
- b. *severe shortages* is a supply situation in which there is an extreme risk of immediate, major damage to the economy or considerable disruption to national economic supply;
- c. *specialist divisions* are organisational units composed of specialists from the private sector and the Confederation, cantons and communes responsible for implementing this Act;
- d. *placing on the market* is the release, free of charge or in return for payment, of compulsory stocks.

AS **2017** 3097 <sup>1</sup> SR **101** <sup>2</sup> BBI **2014** 7119

## Art. 3 Principles

<sup>1</sup> National economic supply is the responsibility of the private sector.

 $^2$  If the private sector is unable to guarantee national economic supply in times of severe shortages, the Confederation and, if necessary, the cantons shall take any measures required.

<sup>3</sup> The private sector and the public sector shall cooperate. Before any implementing provisions are issued, it should first be ensured that the private sector is unable to ensure national economic supply through voluntary measures.

## Art. 4 Essential goods and services

<sup>1</sup> Goods and services are regarded as essential if they are required directly or through economic processes to overcome serious shortages.

<sup>2</sup> Essential goods are, in particular:

- energy sources, together with all the means of production and processing required therefor;
- b. foodstuffs, feedstuffs, therapeutic products, seed and plants;
- c. other indispensable goods that meet day-to-day needs;
- d. raw materials and auxiliary agents for agriculture, trade and industry.

<sup>3</sup> Essential services are, in particular:

- a. transport and logistics;
- b. the provision of information and communications services;
- c. transmission and distribution of energy sources and energy;
- d. payment services;
- e. storage of goods and energy.

<sup>4</sup> Essential services include the operating facilities and resources required therefor.

# Chapter 2 Preparatory Measures

## Section 1 General Provisions

## Art. 5 Mandate

<sup>1</sup> The Federal Council shall mandate the specialist divisions to take preparatory measures to ensure that national economic supply can be ensured in the event of imminent or already existing serious shortages.

 $^{2}$  The specialist divisions shall ensure that the preparatory measures do not distort competition.

overall responsibility.

<sup>3</sup> The Federal Council is responsible for coordination between the departments. The Federal Department of Economic Affairs, Education and Research (EAER) has

<sup>4</sup> If the voluntary measures taken by the private sector are insufficient, the Federal Council may require companies that are of particular importance to national economic supply to ensure that they are in a position to continue production, processing and delivery, and in particular to have technical and administrative measures in place.

<sup>5</sup> The foregoing applies without prejudice to the activities of other public authorities to ensure the supply of essential goods and services.

#### Art. 6 Industry agreements

The Federal Council may decree that industry agreements on ensuring national economic supply in times of severe shortages shall be generally binding provided:

- a. a qualified majority of the businesses in the industry concerned has approved them;
- b. they are in accordance with the federal supply targets;
- c. they guarantee equality of rights, do not violate any mandatory federal or cantonal provisions and do not permanently affect the interests of other economic sectors; and
- d. they are expected to generate significant macroeconomic benefits.

## Section 2 Stockpiling

#### Art. 7 Principles

<sup>1</sup> The Federal Council may require stockpiling of certain essential goods.

<sup>2</sup> The Federal Office for National Economic Supply (FONES) shall conclude agreements with the companies concerned on the stockpiling of such goods.

<sup>3</sup> If an agreement is not concluded within a reasonable period of time, the FONES shall order an agreement to be concluded. In addition, the Federal Council may impose authorisation requirements for the import of goods which must be stockpiled.

#### Art. 8 Duty to conclude an agreement

<sup>1</sup> Any person who imports, manufactures, processes or places essential goods on the market for the first time is required to conclude an agreement.

<sup>2</sup> The Federal Council determines which companies are required to conclude an agreement.

<sup>3</sup> The FONES may exempt from the obligation to conclude an agreement those companies that would only make a minor contribution to the security of supply.

## Art. 9 Minimum demand, quantity and quality

The EAER shall determine for a specific period of time the minimum demand, quantity and quality of each essential commodity which the Federal Council has decreed shall be stockpiled.

## Art. 10 Compulsory stocks agreement

The compulsory stocks agreement regulates in particular the following:

- a. the nature and volume of the goods;
- b. the storage, handling, supervision, control and replacement of the stockpiled goods;
- c. the storage location;
- d. funding and insurance;
- e. payments to cover storage costs as well as any reduction in the value, weight and quality of the goods that may result from storage;
- f. any transfer of the storage obligation to third parties;
- g. any obligation to participate in the creation of the guarantee fund (Art. 16);
- h. any contractual penalty (Art. 43).

## Art. 11 Compulsory stocks

<sup>1</sup> Companies that are contractually obliged to maintain stocks must do so.

<sup>2</sup> If the obligation to maintain stocks is transferred partially or entirely to a suitable third party, the FONES shall conclude a separate compulsory stocks agreement with the third party on the amounts to be maintained.

<sup>3</sup> The EAER may issue a compulsory purchase order if this is necessary in order to exploit existing capacity or to construct warehouses or storage facilities for compulsory stocks. This shall be done in accordance with the Compulsory Purchase Act of 20 June 1930<sup>3</sup>.

## Art. 12 Compulsory stocks ownership

<sup>1</sup> Goods held as compulsory stocks shall be the property of the holder.

<sup>2</sup> Goods to which third parties claim ownership rights can only be held as compulsory stocks if all entitled parties undertake jointly to operate at the service of the Confederation and if necessary of the loan provider.

### Art. 13 Alterations to and liquidation of compulsory stocks

<sup>1</sup> Compulsory stocks may only be altered or liquidated with the written permission of the FONES; the foregoing applies without prejudice to the release of stocks under Article 31 paragraph 2 letter f.

<sup>2</sup> Before compulsory stocks are reduced or liquidated, the holder must repay the loan guaranteed by the Confederation pro rata and meet all obligations towards the guarantee fund (Art. 16).

<sup>3</sup> If the holder of compulsory stocks is unable to repay the loan or to meet its obligations towards the guarantee fund, the FONES may demand an appropriate guarantee as an alternative.

## Art. 14 Supplementary compulsory stockpiling

<sup>1</sup> Companies may make an arrangement with the FONES to stockpile certain amounts of essential goods of a certain quality, even though the Federal Council does not require stocks of them to be held.

<sup>2</sup> Articles 10, 11 paragraphs 1 and 2, 12 and 13 apply by analogy.

<sup>3</sup> In the case of economic intervention, the companies may use at least half of these stocks for their own needs or to supply customers.

## Art. 15 Stockpiling by the Confederation

If companies are unable to stockpile essential goods or can only do so to a limited degree, the Confederation may hold its own stocks.

## Section 3 Guarantee Funds

#### Art. 16 Formation of guarantee funds

<sup>1</sup> If economic sectors create special private funds (guarantee funds) earmarked to cover storage costs and counteract price volatility, these must be administered by a private entity and separately from its own assets.

 $^2$  The EAER is required to authorise the formation, administration, changes to and closure of a guarantee fund and the statutes of the administering private entity.

<sup>3</sup> If, pursuant to the compulsory stockpiling contract, a stockpiling company is required to participate in the establishment of a guarantee fund and become a member of the administering entity, the latter is obliged to admit the stockpiling company as a member.

<sup>4</sup> Companies that are exempt from the obligation to hold compulsory stocks under Article 8 paragraph 3 must participate in the establishment of a guarantee fund similar to the other companies.

<sup>5</sup> It is not permitted to levy guarantee fund contributions on domestically produced foodstuffs, feedstuffs, seeds or plants.