

## Repayment agreement enters into force: Swiss Post now able to repay all funds

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In September, PostBus concluded a framework agreement under the auspices of the Federal Office of Transport (FOT) and together with the Conference of Cantonal Directors of Public Transport (CPT). The agreement was due to enter into force if 18 cantons and the Confederation had signed it by 14 December 2018. All of the cantons endorsed it up until this date. This means that the agreement enters into force and Swiss Post will be able to transfer the funds to the cantons and the Confederation within the next 30 days. In so doing, Swiss Post is delivering on its promise to repay every Swiss franc it owes. Progress is also being made on the other activities related to dealing with the PostBus affair.

In September, the Federal Office of Transport (FOT) and the Conference of Cantonal Directors of Public Transport (CPT) determined together with PostBus that a total of CHF 188.1 million had to be repaid to the Confederation, the cantons and the municipalities. The FOT, CPT and PostBus signed a framework agreement to this effect. The agreement covers the period from 2007 to 2018, including interest (see press release dated 21 September 2018).

The framework agreement was due to enter into force if at least 18 cantons and the Confederation had signed an individual agreement with PostBus by 14 December 2018. This requirement has been met. All cantons have signed individual and mutual agreements with PostBus up until the above-mentioned date. "We are keeping our promise", says Urs Schwaller, Chairman of the Board of Directors of Swiss Post. "We have managed to reach a mutual agreement together with the Conference of Cantonal Directors of Public Transport." Urs Schwaller would like to thank the cantons for their constructive cooperation. "I am relieved that we have managed to close the financial chapter by mutual agreement with the

Confederation and the cantons before the end of this year. This means that we are delivering on an important part of our promise to repay every Swiss franc we owe."

### **Swiss Post has agreed to voluntarily repay CHF 17.2 million for the lapsed period**

The Kellerhals Carrard enquiry report revealed that irregular reclassifications also took place before 2007. In addition to the CHF 188.1 million, PostBus will voluntarily pay a further CHF 17.2 million to customers for illegitimately received subsidies prior to 2007 for the years 2004 to 2006. The claim would have lapsed under law and no liability to settle it therefore exists from a legal perspective. However, Swiss Post also decided to repay these funds as soon as the framework agreement entered into force. This is now the case. This means that the funds will be repaid to the injured parties within the next 30 days. "This is yet another important step to strengthen confidence", believes Urs Schwaller. The measures related to the repayments also included a further review by Swiss Post of all figures and the numerous documents on hand. In addition to these checks, Swiss Post has asked its employees to report any amendments. As part of this

process, it was found that Swiss Post owed a total of CHF 2.9 million to 7 municipalities. These amounts will also be repaid by Swiss Post. The exact modalities are currently being reviewed and clarified in consultation with the cantons concerned.

#### **Further measures are on track**

With this financial settlement, Swiss Post has reached yet another important milestone. However, dealing with the PostBus affair involves a series of other measures. These measures are also under way and on track. “We have managed to fill all vacant positions, including the position of Swiss Post CEO, within a short space of time. This has enabled us to make a fresh start and brings stability”, says Urs Schwaller. In June, the Board of Directors decided to change the auditing

company for the 2019 financial year. “The call for tenders was carried out in accordance with the requirements of public procurement law. Following an evaluation of the WTO procedure, a decision was taken to propose EY (Ernst & Young) as the new external auditors to the General Meeting”. The announced compliance programme will be implemented at PostBus within the coming months.

Progress is also being made in the process for an orderly exit from the French market. Initial negotiations with potential buyers are under way. Swiss Post is still investigating whether or not to file claims for liability and damages. A decision in this respect is expected in spring 2019.

Source: [Swiss Post](#)