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You are a helpful assistant. Make direct answers with good explanations. Do not lie and if you do not know the answer, say you do not know. Answer this question: What are the rules for investment in cash deposits?



The rules for investment in cash deposits, as outlined in the FINMA Circular 2016/5 for insurers, include the following key points:

1. **Permissible Values:** Cash and cash deposits are permissible for investment. This includes bank balances as well as fixed-term deposits and other short-term money market investments that have a term of up to 12 months.
2. **Special Requirements:** A supplementary agreement must be signed with the counterparty for cash deposits or account balances, which explicitly excludes any lien, right of retention, right of set-off, or similar rights on the part of the debtor.
3. **Evaluation:** Investments in this category are valued at no more than their nominal value, taking into account security and income. For money market debt register claims recognized at no more than market value, if they are not listed on a stock exchange, a standard market valuation method must be applied.

These rules ensure that the investments in cash deposits are secure, meet regulatory requirements, and are capable of being liquidated or valued accurately and expediently as needed.



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