CODE OF ETHICS

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Code of Ethics

Content and purpose

This code aims to guide the Riksbank's employees on ethical issues and to clarify how they should act to safeguard public confidence in the Riksbank.

Among other things, it covers

- information about the circumstances and conditions that commonly disqualify an employee or can constitute another conflict of interest
- information about secondary occupations and the circumstances that usually mean that a secondary occupation might damage confidence
- information on insider trading crimes
- recommendations on how employees should deal with their own securities trading and loans, including the renegotiation of interest rates, to avoid conflicts of interest
- provisions on the obligation to report holdings of financial instruments
- information about gifts and bribes
- information on the Riksbank's whistle blower function

Target group

The code is addressed to all the Riksbank's employees. The term "employee" refers to all employees and contractors who have access to a Riksbank computer and to the Riksbank's systems and who participate in the Riksbank's day-to-day operations.

The section on secondary occupations applies only to employees at the Riksbank and not to contractors.

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Contents

1 Introduction

The Riksbank's Code of Ethics deals with the legal provisions and principles that are central to the Riksbank's employees in their role as civil servants[1]. It is important for public confidence in the Riksbank that employees are good civil servants.

Every employee of the Riksbank is expected to carry out their work with their own integrity and that of others in mind and to be able to manage situations requiring good judgement, common sense and a strong sense of what is right and wrong. This means that employees are expected to keep a clear distance to what is impermissible and to realise that some things are not appropriate, even if not expressly prohibited by law. Nor shall an employee act in such a way as to challenge his or her objectivity and impartiality and to discredit trust in the authority.

Any employee who has questions about the code, or finds any areas unclear may contact the Risk Division for clarification.

2 Public access to information and confidentiality

The principle of public access to official documents enables the general public and the media to gain insight into the Riksbank's activities. This is done, among other things, through the right to access public documents. However, although the main rule is that an official document is public, many tasks in the Riksbank's operations are covered by confidentiality. [2]

A person who reveals or unlawfully makes use of confidential information can be convicted of breach of professional secrecy.[3] It is not necessary to reveal the information for it to be regarded as making use of it. Confidentiality applies not only to outsiders but also internally within the Riksbank. This means that confidential information must not be shared with other employees who do not need it in their work. The obligation of confidentiality applies not only during the period of

[1] In this code, the term "civil servant" refers to all employees and contractors who have access to a Riksbank computer and to the Riksbank's systems and who participate in the Riksbank's day-to-day operations.
[2] Public Access to Information and Secrecy Act (2009:400).
[3] Chapter 20, Section 3, Swedish Penal Code.

employment or assignment, but also after the termination of employment or the assignment at the Riksbank.

All employees must be aware of the provisions that apply to the information that they handle, that is, whether it is public or protected by confidentiality. If you are unsure, talk to your line manager.

Despite the obligation of confidentiality, employees have the right to disclose certain confidential information *orally* for publication in printed media, radio and television, for example, under the so-called freedom of communication principle. However, freedom of communication does not cover all confidential information.[4] Please also note that freedom of communication does not allow confidential documents to be provided *in writing*, for example, e-mails and memorandums.

3 Disqualification and other conflicts of interest

The Administrative Procedure Act (2017:900) contains provisions on disqualification[5]. The regulations aim to prevent public employees from getting into certain situations, but also to maintain public confidence in their activities.

3.1 What is disqualification and when does it occur?

The provisions on disqualification apply to dealing with cases (both preparation and final handling). The Administrative Procedure Act states what causes a person to be disqualified. The provisions mean that if an employee can be assumed to be affected by the Riksbank's decision to a non-negligible extent, or if there is any other special circumstance that might cause his or her impartiality in the matter to be questioned, he or she is considered to be disqualified. It is sufficient that someone can be assumed to be affected to a non-insignificant extent by the outcome of the case for it to be considered disqualification.

Examples of disqualification situations

- A person who is themselves involved in a case or is related to or close friend of a party is disqualified and may not handle the case. This also applies to recruitment processes.
- A person who owns a fairly significant shareholding in a company that is party to a matter dealt with by the Riksbank, and where the matter concerns such a large value that it has an impact on the company's finances, is disqualified and is may not deal with the matter.

[4] The exceptions to the freedom of communication principle are specified in the Freedom of the Press Act, the Fundamental Law on Freedom of Expression and the Public Access to Information and Secrecy Act.
[5] Section 16, Administrative Procedure Act.

- A person who has participated in an inquiry that has resulted in a report that the Riksbank is to prepare for a consultation response is disqualified and may not deal with the matter.
- An official who owns shares in a company that has submitted a tender to the Riksbank in connection with a public procurement is disqualified and may not deal with the matter. The same applies if the official has a personal relationship with the company or the person who submitted the tender.

3.2 Who can be disqualified?

- Decision makers
- The person involved in the final handling of the case without taking part in the decision, such as the rapporteur, the head of the department or division concerned or a specially-appointed adviser.
- The person who prepares a case without being involved in the final handling, for example the person who produces a draft decision on a case but is not involved in the decision, or experts who are called upon in a case and who may influence the decision.

Normally, administrative staff are not disqualified, for instance, people who only handle the registration, printing, dispatch or other tasks that are not likely to affect the decision in the matter.

3.3 What does disqualification entail?

A person who is disqualified may not take part in the proceedings (neither the preparation nor the final proceedings) of the case, nor may they be present at the time of the decision.

3.4 Conflicts of interest

In the work of a public authority, situations may sometimes arise that are not unambiguous and easy to judge from a disqualification point of view. There may be ‘grey areas’, i.e. relationships or ties (conflicts of interest) between an employee and another party, where circumstances may be such that the credibility of the authority could be damaged, even if it is not a matter of a disqualification as defined in the Administrative Procedure Act. The behaviour of a public sector employee determines how citizens perceive the authority. It is also part of the employee’s professional role to consider how their behaviour might be perceived by others. An employee should be aware of whether he or she may end up in a disqualification situation or conflict of interest when, for example, he or she has applied for a job with one of the Riksbank’s counterparties.

A person who has a conflict of interest may, for precautionary reasons, have to refrain from taking part in the handling of a case or being present at the time of the decision, if this is justified to deal with the risk of possible damage to confidence. Since these situations are not always easy to assess, employees should contact their line manager for assessment as described in section 3.5 below.

3.5 Reporting of disqualification and other conflicts of interest

An employee should themselves inform their line manager if there is any circumstance that might disqualify them. An employee should also check with his/her line manager whether there is any circumstance that may comprise another conflict of interest and if the employee is unsure how to handle it.

If an employee has reported disqualification or other conflict of interest to his/her line manager, the manager should decide whether the person can continue to deal with the matter in question, or whether the employee should change his/her duties. The line manager must then inform the Risk Division of the situation.

When it is difficult to determine whether it is a matter of disqualification or other conflict of interest, the Risk Division can give advice. In borderline cases, a precautionary principle must be applied.

4 Secondary occupations

Provisions regarding secondary occupations are laid down in the Public Employment Act (1994:260) and in the state collective wage agreements. However, the concept of secondary occupation is not explicitly defined in law or in agreements, instead the content of the term has been developed through case law.

Secondary occupation means in principle any occupation, whether temporary or permanent, that an employee carries out alongside their employment and is not attributable to private life. It is not important whether the occupation is carried out in the form of employment elsewhere, or as an assignment or self-employment, and nor is it important whether or not you receive financial remuneration.

It is prohibited by law to hold a secondary occupation if this can be considered to be harmful to confidence in the Riksbank. It is also prohibited under the collective agreement to hold secondary occupations that compete with or interfere with your ordinary duties.

An employee who is unsure whether an intended secondary occupation is compatible with their employment at the Riksbank should raise the issue with their line manager. In case of doubt, the manager can consult the Risk Division.

4.1 What are secondary occupations that can damage confidence?

Special requirements of objectivity and integrity are made of those working in public service. It is therefore prohibited for employees to have secondary occupations that

are harmful to confidence in the Riksbank.[6] This provision entails that an employee may not have any occupation or assignment or exercise other business that could damage confidence in his/her or another employee's impartiality in public service, or that could damage the reputation of the Riksbank.

For a secondary occupation to be considered damaging to confidence, the employee does not need to act or intend to act improperly. It is sufficient reason if there is a risk that the general public might question the objectivity of the Riksbank's operations or the impartiality of the employee or the employee's colleagues.

It is not possible to specify exactly which occupations are prohibited. An overall assessment of the relevant circumstances needs to be made in each individual case, which also means that the examples of what may be illegal mentioned below may not necessarily apply to all employees. Significant to the assessment are, among other things, the possible points of contact between the Riksbank's activities and the employee's secondary occupation. The employee's tasks at the Riksbank also have a bearing on the assessment. In general, the following applies to employees at the Riksbank:

- Only a low level of risk is acceptable. This means that the more qualified, extensive and well-paid a secondary occupation is, the higher the risk that it damages confidence in the Riksbank.
- If the secondary occupation entails tasks similar to those performed by the employee at the Riksbank, or has tangible or concrete points of contact with them, the risk of damage to confidence is higher than if there is no such connection.
- Similarly, there is a greater risk when the company for which the secondary occupation is carried out has interests that are in some way connected with the Riksbank's operations.

4.1.1 Activities of a private nature

The provisions on secondary occupations that damage confidence do not apply to activities which may normally be regarded as part of the employee's private life.

In practice, looking after one's own or a close family member's interests has been established to be part of the employee's private life. This may involve, for example, being on the board of a close family member's company which has no connection with the activities of the Riksbank. Or it may involve being on the board of a sports association, as long as the employee does not participate in matters relating to financial decisions (such as decisions or negotiations on interest rates for loans).

Every employee is also free to manage his or her private finances as long as this is not under circumstances that clearly indicate an unacceptable risk of damaged confidence.

[6] Section 7, Public Employment Act.

4.1.2 Generally accepted secondary occupations

Examples of assignments that will, in all probability, be considered compatible with work at the Riksbank are

- assignments for another public authority
- voluntary work; however, see restrictions in section 4.1.3
- board assignments in a housing association, provided that the employee does not participate in negotiations and decisions on loans and other credits.

4.1.3 Generally prohibited secondary occupations

Examples of occupations and assignments that are likely to be considered to be damaging to confidence are

- board assignments for private companies with financial operations
- treasurer/finance manager in associations where this involves the employee participating in negotiations and decisions on loans and other credits
- own commercial activities, for example as a consultant with similar tasks to the tasks at the Riksbank
- assignments in a non-profit organisation (such as a volunteer association or foundation) that involve the employee being responsible for taking economic decisions (for example by participating in decisions on investment or credit) or for managing any commercial part of activities.

4.2 What are secondary occupations that compete with or hinder work at the Riksbank?

A secondary occupation that does not damage confidence can still be prohibited if it is considered to compete with or hinder the employee's work at the Riksbank. The secondary occupations classed as competing and hindering work are regulated in state collective agreements.[7]

The prohibition on competing secondary occupations means that the employee may not have an employment or assignment with a company or other organisation, be involved in or operate a business within the same field as the activities of the public authority through another person.

Secondary occupations should not hinder or impact their work. It is therefore not permissible to have a secondary occupation which hinders their work at the Riksbank, that is, prevents the employee from doing their job in an acceptable way. For example, it may be because the employee does not have the energy or the time to do their work in an acceptable way because of their secondary occupation.

[7] The agreement between the Swedish Agency for Government Employers and OFR/S,P,O and the agreement between the Swedish Agency for Government Employers and Saco-S trade union.

4.3 Reporting secondary occupations

Secondary occupations shall be reported in the Primula payroll system when the employee begins their employment with the Riksbank, or when they take on a secondary occupation, and in that case within four weeks. A person who does not wish to provide more detailed information about the assignment has the right to only report what type of occupation is involved. All secondary occupations shall be reported, apart from those of an entirely private nature or that evidently lack significance for confidence in the Riksbank.

The prohibition on activities that damage confidence also applies to leave of absence.

The employee has the right to receive a written decision as to whether the Riksbank considers that a particular secondary occupation is permissible or not.

4.4 Reimbursements for lectures

Employees at the Riksbank sometimes receive offers to participate as a lecturer or teacher at seminars, courses or conferences, for example, to inform about the Riksbank's activities. The employee should discuss with his/her manager whether it is appropriate to take on a lecture assignment, in what manner the assignment should take place (during working hours or the employee's own time, that is, as a secondary occupation) and whether a fee should be charged for participation.

4.4.1 If the lecture is given as part of the work at the Riksbank

Normally, a lecture assignment is regarded as something that takes place on duty and where the employee exercises his or her professional competence, without any special fee being charged. However, it may be in the interest of the Riksbank that more extensive tasks, occasionally even those with a commercial element, are carried out while on duty. Any remuneration shall then be paid to the Riksbank. The employee should not normally receive compensation for travel and hotel costs from the organiser; the Riksbank takes responsibility for this cost.

See also section 8 on gifts and bribes in case the employee should be offered a gift as a thank you for the lecture.

4.4.2 If the lecture is not deemed to be in the interests of the Riksbank

It may also be the case that it is not considered in the interests of the Riksbank for an employee to give such a lecture.

In such cases, the preparations and lecture may be made in the employee's spare time (holiday or leave of absence) and a possible fee or other remuneration shall be paid to the employee. The assignment is then to be considered as a secondary occupation and should be examined according to the rules applicable to secondary occupations, see sections 4.1–4.2.

5 Insider and confidential information

5.1 What is insider information?

According to the EU's Market Abuse Regulation[8], insider information is information of a specific nature which has not been published, which directly or indirectly concerns one or more issuers or one or more financial instruments and which, if published, would be likely to have a material impact on the price of these financial instruments.[9] Chapter 1, Section 4 of the Securities Market Act (2007:528) defines financial instruments as transferable securities, money market instruments, units in collective investment undertakings, financial derivative instruments and emission rights. This can be, for example, shares, bonds or funds. A complete list of the financial instruments that are referred to, and that employees therefore need to report to the Riksbank, is given in section 6.3.

Insider information is usually described as information that an investor would likely use as part of the basis for their investment decisions. An example of insider information may be that a company has financial difficulties or that the company is about to appoint new executives, if this information has not been made public.

5.2 Insider offences and illegal disclosure of information

It is prohibited to conduct business on behalf of oneself or others in financial instruments if insider information is used in relation to these instruments.[10] It is also forbidden for someone who has access to insider information to give advice or encourage someone else to trade in financial instruments. In these cases, both the person encouraging someone and the person trading may be penalised. The unauthorised disclosure of insider information is also prohibited, except in cases where such disclosure is carried out as a normal part of the performance of the service, activity or obligation.

A person who violates these prohibitions may be convicted in a general court of insider dealing or unauthorised disclosure of insider information. In addition, disclosure of information may constitute a breach of the obligation of confidentiality under the Public Access to Information and Secrecy Act. The unlawful use of classified information also constitutes a breach of the obligation of confidentiality, even if the information is not disclosed to anyone else. This means that, even if the information is not insider information, it may be covered by confidentiality under the Public Access to Information and Secrecy Act. Thus, an employee may not use classified information

[8] Article 7 EU Market Abuse Regulation.

[9] It should be noted that specific definitions apply to commodity derivatives, emission rights or auctioned products based on such emission rights.

[10] According to the Swedish Act on penalties for market abuse on the securities market (2016:1307).

by, for example, buying or selling shares in the company about which he or she has information.

6 Obligation to report holdings of financial instruments

6.1 What does the reporting obligation entail?

According to the Sveriges Riksbank Act (2022:1568), such employees and consultants as determined by the Riksbank shall report to the Riksbank in writing their holdings of financial instruments.[11] The same applies to changes in these holdings.

The purpose of the reporting obligation is primarily to enable the Riksbank to monitor compliance with the prohibition on insider trading, but also to strengthen confidence in the Riksbank and its employees.[12] The reporting also enables the Riksbank to monitor compliance with the prohibition on activities that are damaging to confidence and with the regulations on disqualification and conflicts of interest.

6.2 Who is obliged to report?

The reporting obligation applies to all heads of department and heads of division (both permanent and assistant) and to the employees that the head of department decides should report.

As a general rule, the obligation to report should be decided at the divisional level, i.e. all employees in the division are covered by it, but it can also be decided for individual employees in cases where the division in which the employee works is not subject to the reporting obligation.

The obligation to report also applies during leave of absence, if the employee still has access to their Riksbank computer and to the Riksbank's IT system.

6.2.1 Assessment at division level

When the head of department determines whether all employees in a division should be required to report, the following circumstances are significant:

- Whether or not employees within the division usually have access to insider information
- Whether there is a risk that employees within the division may be disqualified due to their holdings of financial instruments
- Whether employees within the division have information on things that may affect the overall market situation, such as future interest rate changes or

[11] Chapter 7, Section 22, point two, Sveriges Riksbank Act.
[12] Government Bill 1997/98:40 pp. 67 and 68.

asset purchases. This means, for example, if an employee participates in the monetary policy process.

6.2.2 Assessment at employee level

Managers of divisions where the head of department does not consider all employees to be required to report should pay special attention to whether there are individual employees who should be required to report. If so, the head of division should inform the head of department and the Risk Division.

The head of department must then take into account the same criteria as described in section 6.2.1.

Only contractors who participate in the Riksbank's day-to-day operations and have access to a Riksbank computer and to the Riksbank's systems can be obliged to report holdings of financial instruments. The criteria in section 6.2.1 also apply to them.

6.3 What shall be reported?

The reporting obligation covers the holding of financial instruments referred to in Chapter 1, Section 4 of the Securities Market Act (2007:528), that is:

- Shares
- Bonds
- Securities linked to equities or bonds (for instance, subscription rights)
- All types of funds
- Financial derivatives such as options, certificates, subscription rights, forward contracts, swaps, other derivative contracts referring to securities, foreign currencies, interest rates or yields and derivative instruments regarding commodities
- Money market instruments in the form of treasury bills, certificates of deposit, commercial paper and other instruments normally sold on the money market,

6.3.1 Indirect holdings

The obligation to report applies only to financial instruments held by employees.[13] This means that financial instruments indirectly at the disposal of the person obliged to report, such as the premium pension scheme, occupational pension insurance and private capital insurance, are not covered. In these cases, it is the state or, for example, an insurance undertaking that formally owns the instruments.

[13] Chapter 7, Section 22, point two of the Sveriges Riksbank Act only states reporting obligation of holdings of financial instruments which are directly at the disposal of the individual. The Riksbank thus lacks legal support to require reporting of indirect holdings of financial instruments.

However, the obligation to report does include financial instruments that are placed in an investment savings account (ISK) and within individual pension savings (IPS), since these savings relate to individually owned assets.

Although indirect holdings do not need to be reported, employees should still comply with section 5 on insider and confidential information, as well as section 7 on investment recommendations.

If the employee is unsure about what to report, they should consult the Risk Division for advice.

6.3.2 Holdings of those close to employees

The holdings of financial instruments by those close to employees shall not be reported.

6.4 When and how shall the report be made?

6.4.1 In general

The report should be made electronically, using the PIA system. Employees who are required to report will receive an e-mail with information on how to register in the PIA system.

Reporting existing holdings must be done for the first time no later than four weeks after an employee has been deemed to be required to report by his or her head of department. If the employee has no instruments that need to be reported, they should inform the head of department about this. Changes in the holdings (such as purchase, sale, share split, inheritance, gift and estate distribution) must also be reported within four weeks.

Reporting of holdings purchased or sold under discretionary management is done in the same way as if it were the employee who was making the transactions. See also section 6.4.2 below on reporting of discretionary management of funds.

During the month of April and no later than 1 May each year, employees who are required to report must confirm that the reported holding is correct (annual confirmation). This applies regardless of whether or not the employee has reported the holding of financial instruments.

6.4.2 Reporting of holdings of funds

Simplified reporting regulations apply in the case of regular savings in funds. The report should then be made at the time of the first purchase in each fund where the employee also reports the amount that is saved regularly and at what frequency (e.g. monthly). Reports shall then be made in the event of changes in the amount or frequency, and if the saving ceases or the holding is sold. The employee shall also report the total holding in all funds annually on the annual confirmation.

If the employee does not have regular savings in funds but makes investments more ongoing and in different funds, they need to report the holding on a transaction-by-transaction basis.

If the employee uses discretionary management of funds, where investments may vary from fund to fund, and these are different amounts and frequencies per fund, a report should also be made for each transaction. If the discretionary management is carried out only in the same funds, for the same amount and at the same frequency, the simplified reporting procedure mentioned above may be applied.

7 Investment recommendations

Section 6 above describes why the Riksbank's employees, in accordance with the Sveriges Riksbank Act, must report their holdings of financial instruments. The reporting enables the Riksbank to monitor compliance with the prohibition of insider trading, secondary occupations that could damage confidence and rules on disqualification and conflicts of interest, thereby also strengthening confidence in the Riksbank and its employees.

The Sveriges Riksbank Act does not give the Riksbank as employer the right to prohibit employees from owning financial instruments or certain types of financial instruments.[14] However, what is allowed is not always appropriate. The Riksbank has therefore adopted a number of investment recommendations[15] aimed at making it easy for employees to maintain a good distance to what might be considered insider crime or use of classified information. The recommendations also aim to prevent employees from getting into situations that could constitute a conflict of interest and may disqualify them, or that the employee trades in financial instruments in a way that can comprise a secondary occupation that could damage confidence. The recommendations are based on the principle of precaution and are aimed at all employees who are obliged to report. Employees who are not obliged to report are therefore excluded from the recommendations but can use them as an optional guide. This section describes these investment recommendations.

Employees should consider whether trading in financial instruments and, therefore, ownership would entail such a circumstance that could disqualify them or cause them to have another conflict of interest.

If an employee chooses not to follow the recommendations, they must be prepared to justify and explain their position (the principle of comply or explain). For example, one explanation could be that the employee does not have any information (whether

[14] For an authority to be able to prohibit its employees from owning financial instruments, for example, the Swedish constitution requires that there be a provision in a law stating that it is possible for the authority to impose such a prohibition (Chapter 12, Section 7 of the Instrument of Government).

[15] However, authorities may issue investment recommendations (Bill 1990/91:42 p 49). This is to guide employees in how they should act in their own securities trading to maintain public confidence in the authority and to avoid employees violating insider legislation.

inside information or confidential data) that could be used, or that the employee does not work with information that could cause them to be disqualified or have a conflict of interest, and that there is no risk of loss of confidence.

The consequences of an employee with an obligation to report failing to comply with the Riksbank's investment recommendations may be assessed on a case-by-case basis and in accordance with section 12 on non-compliance with the code.

If the employee is unsure, they should consult the Risk Division for advice.

7.1 Recommendation regarding financial instruments

All employees who are required to register *are recommended* to refrain from acquiring financial instruments (such as shares) in

- the Riksbank's counterparties, which include RIX participants, monetary policy counterparties and counterparties in foreign exchange transactions.
- companies whose corporate bonds the Riksbank owns or which are included on the list of companies in which the Riksbank may purchase corporate bonds

To make it easier for employees to determine which companies the above refers to, the Risk Division must continuously compile *one* list of the companies covered by these recommendations and publish it on Banconätet.

If an employee with the obligation to report plans to acquire a financial instrument in a listed company above, they should, in the event of uncertainty over whether the transaction is in breach of the code of ethics, seek prior advice from the Risk Division. However, it is always the employee who is responsible for their final investment decisions.

There may be occasions when employees with the obligation to report own financial instruments in the above-mentioned companies, for example because the financial instruments were acquired before the start of the employment or assignment at the Riksbank, or that the financial instruments were acquired through inheritance or gift, or because the shares were acquired before this code came into force. It is permitted for the employee to retain these financial instruments, but the employee needs to consider whether the holding may result in them being disqualified from dealing with certain matters or if there may be another conflict of interest that would make it inappropriate to deal with or participate in certain matters.

If an employee with the obligation to report intends to sell financial instruments in an above-mentioned company, they should, in the event of uncertainty as to whether it might be in violation of the code of ethics, seek prior advice from the Risk Division. However, it is always the employee who is responsible for their final investment decisions.

The recommendations in this section do not cover funds that have holdings in the above-mentioned companies.

7.2 Recommendation on long-term holdings

To maintain confidence in the Riksbank, it is important to prevent any suspicion that someone is making use of insider or classified information. It is therefore *recommended* that employees with the obligation to report ensure their holdings of financial instruments are long-term, i.e. at least one month. This recommendation also covers funds.

Employees who acquire securities are therefore *recommended* not to sell or otherwise secure profits (e.g. by hedging with derivative instruments) earlier than one month after their acquisition.

However, the *recommendation* concerning the minimum holding period of one month does not apply, for example, to the sale of subscription rights or to acceptance of a public takeover bid. For more examples of when the one-month rule does not apply, see Appendix 1.

If there are external circumstances beyond the employee's control, such as unforeseen changes in family or living conditions, the recommendation does not apply. However, before making such a transaction, the employee should contact the Risk Division for advice. The obligation to report the transactions remains.

7.3 Recommendation on discretionary management

The investment recommendations also include discretionary management, that is, when someone else makes a decision on behalf of the employee, if the management includes trading in shares. This is because there is a risk that companies in which the Riksbank advises against investing may be included in the employee’s portfolio. Examples of discretionary management are if an employee has their own asset management through a private advisor who makes investment decisions on behalf of the employee, or if the employee uses a robotic service that invests in financial instruments for the employee.

The obligation to report remains independent of the discretionary nature of the management and regardless of the financial instruments the management covers. See section 6.4 for further information on when and how to report.

7.4 Recommendation to employees who gain insight into a future monetary policy decision or forecasts

Employees at the Riksbank may have insight into an upcoming monetary policy decision on, for example, the policy rate, monetary policy instruments and other measures or into the Executive Board's forecasts for future monetary policy.

According to the Public Access to Information and Secrecy Act,[16] confidentiality applies at the Riksbank to information concerning Sweden's central monetary policy, if it can be assumed that the purpose of decided or planned measures is counteracted if the information is disclosed. The disclosure or unauthorised use of classified information is prohibited.

An employee is always considered to have insight into an upcoming monetary policy decision if they participate in the monetary policy process, for example, prepare material or take part in meetings with the Executive Board. The same applies to those who have access to the decision-making documentation sent to the Management Group or the Executive Board. All employees within the Monetary Policy Department (APP) are deemed to be involved in the monetary policy process

The heads of other departments shall identify which employees in their departments are involved in the monetary policy process. The heads of department shall inform the Head of the Monetary Policy Department of who these employees are. The Head of the Monetary Policy Department shall then inform all employees in the process of the recommendations in the whole of this section 7.4.

It is not possible to define in advance exactly how long before a monetary policy decision an employee should follow these recommendations, because it depends on their actual access to information. However, a general rule is that employees should always follow the recommendations from the day the drafting process with the Executive Board begins (plenary drafting group meeting), which usually takes place about two weeks before the decision. With regard to extraordinary monetary policy meetings, the period begins as soon as it is decided that the meeting will take place. However, an employee may also be able to gain insight in specific cases before these meetings, in which case the recommendations may need to be followed from that time. In case of doubt, employees should contact the Risk Division.

At the Executive Board's monetary policy meetings, employees may receive information that may affect the market and will not be published until the minutes are published about a week after the decision. In such cases, employees shall also follow the investment recommendations as outlined in section 7.4 in the period between the decision and the publication of the minutes.

7.4.1 Trading in financial instruments

Employees who gain insight into an upcoming monetary policy decision are *recommended* to refrain completely from making financial instrument transactions during the time they have insight. If an employee uses discretionary management (that is, when someone else makes a decision on behalf of the employee), they should also refrain from changing the investment mandates within the framework of discretionary management during the period in which the employee has insight. The

[16] Chapter 16, Article 1 of the Public Access to Information and Secrecy Act.

same applies to changes in the investment mandates in the framework of private pension and insurance products (e.g. endowment insurance) which enable the employee to influence the holding in financial instruments, and the premium and occupational pensions.

7.4.2 Regular saving in funds

The recommendation under section 7.4.1 regarding employees' trading in financial instruments during a period of time when the employee has insight into an upcoming monetary policy decision or forecast also largely applies to funds. If an employee has regular saving in funds, this can continue provided that the savings are made in approximately the same funds, at the same frequency and for the same value. For example, the employee may have a standing monthly transfer to one or more predetermined mutual funds. However, trade in other financial instruments should be avoided completely during periods of insight.

Any deviation from this recommendation, for example when buying a new home that requires the sale of certain fund holdings, shall be first checked with the Risk Division.

7.4.3 Mortgages and other loans

Employees who gain insight into future monetary policy decisions are *recommended* to refrain from negotiating interest rates or taking out new loans throughout the period the employee has insight. However, there may be occasions when an employee cannot influence that a change in terms and conditions will occur during that period, for example, if the employee has a fixed interest rate that expires then. If this were the case, a person who usually has access to monetary policy decisions should, where possible, negotiate and conclude agreements and/or agree on the change in terms and conditions prior to that. The Risk Division can provide further guidance to those who need to manage such changes in terms and conditions.

When negotiating interest rates, employees should ensure that any interest rate discounts are not granted because of the employee's role at the Riksbank. A more favourable discount than in market terms could be seen as a bribe; see also section 8 on gifts and bribes.

7.4.4 Foreign exchange transactions in the case of insight into future monetary policy decisions or forecasts

Employees are also *recommended* to refrain from buying foreign currency for investment purposes throughout the period the employee has insight into coming monetary policy decisions or forecasts.

Foreign exchange transactions connected with travel, owning property abroad or having family living abroad are not covered by these recommendations.

8 Gifts and bribes

8.1 Receiving and giving bribes

Legal provisions regarding the taking and giving of bribes are laid down in the Swedish Penal Code[17]. An employee who receives an improper benefit for the employment or performance of an assignment, for himself or for someone else, may be convicted of taking bribes. The same applies if the employee accepts a promise or requests an undue advantage. A person who gives, promises or offers an unlawful benefit can be convicted of giving bribes; see the Swedish Penal Code[18].

Under certain conditions, the crimes of taking and giving a bribe may be regarded as gross offences.[19] A circumstance that makes a bribery offence serious is when the act has involved abuse or attack of a particularly responsible position. This includes actions that have involved some of the most central decision-making functions in society. The Riksbank is one of these functions.[20] Matters relating to major public procurement proceedings are also included.

An unlawful benefit may consist of, for instance, cash, gift tokens, discounts, meals, informal meetings (with food and/or drink), accommodation, trips, loans under conditions better than market terms or tickets to a show or sporting event.

The Riksbank's employees must be very careful if they are offered benefits and gifts by their external contacts, since the Riksbank's activities are considered to demand a particularly high level of responsibility, which entails very high requirements regarding integrity and independence. In the event of uncertainty, the employee shall contact their line manager or the Risk Division.

8.2 Gifts

A gift is unlawful if it is not a natural part of, or does not have an immediate relation to, the recipient's exercise of his/her duties, or if it is not an expression of a generally accepted form of social intercourse. Even advantages given to immediate family members can be undue.

A gift should never be accepted if it could be thought to influence the employee's performance of duties. If the value of the gift is more than negligible, the employee should not accept it. The most common presents given in working life are of little financial value, for instance, presents in the form of flowers, chocolate, books and ornaments. Riksbank employees should not accept gifts to a value exceeding SEK 400.

[17] Chapter 10, Sections 5 a–5 c of the Penal Code.

[18] Chapter 10, Sections 5 a–5 c of the Penal Code.

[19] Chapter 10, Section 5c, Swedish Penal Code.

[20] Government Bill 2011/12:79 p. 47.

When celebrating 50th birthdays and similar, it may be possible to accept a higher value.

However, it cannot be ruled out that employees will, at some point, be given a gift or advantage that is really too expensive but which cannot be rejected for reasons of courtesy. This can apply, for instance, to gifts between central banks. You can then accept the gift, but you must then report it to your line manager and to the Risk Division, who will ensure that the gift is dealt with on behalf of the Riksbank and added to the inventory of property belonging to the Riksbank.

8.2.1 In the case of procurement, ongoing negotiations and the like

During public procurement procedures, ongoing negotiations or similar situations where an employee's integrity is particularly important, employees should not accept any gifts at all. Even if there is little risk that an employee would be influenced by the gift, such an action could be considered undue. It is better to refuse rather than to accept a gift if the employee has any doubts at all, even if the value of the gift is considerably lower than SEK 400.

8.2.2 Lunches and dinners

Ordinary lunches and dinners in connection with work can normally be accepted, on assumption that the meal is not more costly than usual. Sometimes it is possible for an employee to accept a meal at a higher price than a normal business lunch; for instance, on the occasion of a trade association's AGM or an anniversary dinner.

However, meals should never be accepted in connection with a public procurement procedure where the host could be a potential supplier or has just been chosen as supplier.

Employees should not accept meals offered by the Riksbank's counterparties, unless there is a major event involving many different participants and there is no obvious link to individual Riksbank employees.

8.3 Complimentary benefits

Employees must be very restrictive in accepting complimentary benefits, for instance, if an employee takes part in a seminar that includes additional events of a leisure nature paid for by the organiser. If it is an event in which it is important for the Riksbank to participate, the bank should pay the employee's costs, including travel expenses, hotel and any additional events. If it is not possible to ascertain the direct costs of the benefits, then the Riksbank should pay a standard cost calculated on the market value.

However, there may be exceptions, for instance concerning events organised within the central bank sphere, when it might be difficult to insist that the Riksbank pay its employees' costs. In certain cases, when employees actively participate in an event

arranged by an international organisation, such as the IMF, the BIS, the World Bank, the EU/ECB, or by governmental or non-commercial organisations, there may be reason to allow the organisation to stand for greater costs than would be accepted with regard to, for instance, institutions that have a counterparty relationship with the Riksbank.

If there are any doubts about gifts and complimentary benefits, the employee should always discuss them with their line manager or the Risk Division.

9 The whistle blower function

Every employee has the possibility to report suspicions of irregularities, incongruities and deviations from the ethical regulations. For more information about this possibility, how to handle a report and how to report, see the Regulation for whistle blowing published on Banconätet[21]. The regulation also provides information on the freedom of communication.

10 Compliance with the code

Every employee has a responsibility to comply with this code. The employee's line manager is also responsible for informing them that the code exists.

The Risk Division is responsible for control and monitoring of the code. This includes, for instance, regularly checking the employees' and contractors' reported holdings of financial instruments, employees' secondary occupations and compliance with the regulations regarding gifts and bribes.

11 Information and training

To ensure that all employees at the Riksbank are familiar with the code, regular information and training will be provided in this field. The Risk Division is responsible for providing training and for ensuring that the training offered is updated annually and is therefore up to date. The employee's line manager is responsible for ensuring that the employee undergoes the required training and for identifying whether knowledge of the code needs to be updated. If an individual employee or an entire division needs training, the manager can contact the Risk Division. When a new employee is recruited, the line manager should ensure that the employee receives training in the code. If the employee needs training in English and there is no such course available, the line manager is responsible for providing them with the English version of the code and ensuring that the employee is familiar with it.

[21] https://banconatet.riksbank.se/sv/stod-i-arbetet/rapportera-incidenter-och-oegentligheter/rapportera-oegentligheter---alternativ-rapporteringskanal/

12 Non-compliance with the code

Possible non-compliance should be assessed and reported by the Risk Division to the relevant head of department. The head of the department shall, in consultation with HR and with the support of the Legal Secretariat and the Risk Division, decide on appropriate measures in accordance with the Riksbank's Regulation on disciplinary measures.

Some violations may lead to the employee being convicted of a crime in a general court of law, for instance, insider trading, official misconduct or breach of confidentiality. Even if the non-compliance is not regarded as a crime in accordance with general penal provisions, the actions may be examined by the Riksbank's Staff Disciplinary Board in accordance with the regulations on disciplinary responsibility in the Swedish Act on Public Employment. There might in this case be disciplinary consequences for official misconduct, such as a warning and a salary deduction. If the offence is serious, the employee may be dismissed or given notice.

13 Entry into force

This code enters into force on 7 June 2023 and replaces the previous version of the code decided on 29 June 2022.

Appendix 1 Examples of when the one-month rule does not apply

The requirement for a minimum holding period of one month does not apply in the following cases:

1. When divesting financial instruments whose value has fallen so that no profit is generated.
2. When acquiring to cover financial instruments that have been the subject of short-selling when the value has risen so that profit does not arise.
3. When divesting allocated emission and purchase rights and similar rights.
4. When utilising, for example, options to purchase, subscription warrants or convertible bonds for redemption with delivery, new subscription or conversion to underlying financial instruments. This may be done even if the instrument used has been held for less than one month. When calculating the holding period for underlying financial instruments acquired in this way, the holding period of the instrument utilised may also be credited.
5. When accepting a public takeover offer.
6. When divesting financial instruments acquired in connection with a purchase offer (hive-off) or received as a distribution in kind (for example, in the form of shares) or through a bonus issue if the instrument entitled to the measure has been held for more than one month.