

Instructions RIX and  
Monetary Policy Instruments

# Counterparty Application Instructions

November 2023

## Contents

Contents .....	2
A. General information about applying to become a Counterparty to the Riksbank.....	4
1 The purpose of this document.....	4
2 General information about counterparties.....	4
3 General aspects of the application .....	4
4 Structure.....	4
B. Instructions for applying to become a RIX Participant.....	5
1 The purpose of this section.....	5
2 The purpose of the application .....	5
3 General information about RIX participation.....	5
4 Application .....	6
5 Content of the application .....	6
C. General information about applying to become a Monetary Policy Counterparty to the Riksbank.....	19
1 The purpose of this section.....	19
2 The purpose of the application .....	19
3 General information on Monetary Policy Counterparties .....	19
4 Application .....	20
5 Content of the application .....	21
D. Instructions for applying to become a Counterparty to the Riksbank in Foreign Exchange (FX) Transactions.....	29
1 The purpose of this section.....	29
2 The purpose of the application .....	29
3 General information on Counterparties in FX Transactions .....	29
4 Application .....	30
5 Content of the application .....	30
E. General information about applying to become a Counterparty with access to Special Facilities for Central Counterparties.....	38
1 The purpose of this section.....	38
2 The purpose of the application .....	38
3 General information on access to the Special Facilities.....	38
4 Application .....	39
5 Content of the application .....	39
F. The Riksbank's assessment of applications.....	45
1 The purpose of this section.....	45
2 Principles for assessing applications .....	45
3 Investigation in connection with the assessment of applications.....	45

4	Signing of Accession Agreements, etc.....	46
Annex 1.....		47
	Reporting from Monetary Policy Counterparties and Counterparties in FX Transactions.....	47
1	The Counterparties' obligation to report.....	47
2	Technical requirements, etc.....	47
3	Responsible person .....	47

# A. General information about applying to become a Counterparty to the Riksbank

## 1 The purpose of this document

These instructions are a complement to the *Terms and Conditions for RIX and Monetary Policy Instruments* (Terms and Conditions) and have been compiled with the aim of facilitating the application process for institutions wishing to become RIX Participants, Monetary Policy Counterparties, Counterparties in Foreign Exchange (FX) transactions or Counterparty with access to Special Facilities for Central Counterparties.

With regard to terms that begin with capital letters, the definitions stated in the Terms and Conditions for RIX and Monetary Policy Instruments – Appendix H1 – Definitions apply.

## 2 General information about counterparties

Within the RIX system, the Riksbank provides two Settlement Services, RIX-RTGS and RIX-INST, which enable RIX Participants to settle payment commitments between themselves. The Riksbank operationalises monetary policy via Monetary Policy Counterparties and Counterparties in FX Transactions. The legal relationship between the Riksbank and its Counterparties (RIX Participants, Monetary Policy Counterparties and Counterparties in FX Transactions) is regulated in the Terms and Conditions.

## 3 General aspects of the application

Application to become a Counterparty is done separately for each counterparty category using the form and method specified in each section of this document respectively.

## 4 Structure

Instructions Counterparty Application are divided up into five sections. Section A contains general information. Section B contains instructions for applying to become a *RIX Participant*. Section C contains instructions for applying to become a *Monetary Policy Counterparty*. Section D contains instructions for applying to become a *Counterparty in FX Transactions*. The last section, Section E, contains general information on the Riksbank's assessment of applications.

## **B. Instructions for applying to become a RIX Participant**

### **1 The purpose of this section**

The purpose of this section is to describe how to apply to become a RIX Participant.

The RIX Settlement System consists of two different Settlement Services, RIX-RTGS and RIX-INST. A RIX Participant can choose to be certified for one or both of the services.

### **2 The purpose of the application**

The purpose of the application is to inform the Riksbank of the identity of the applicant and the role it intends to play as a RIX Participant.

Furthermore, the application shall show that the applicant, in a general sense, has the operational capacity to act as a RIX Participant. It shall also show that other requirements for being a RIX Participant are fulfilled.

The information in the application shall show that the applicant will not jeopardise the general stability, soundness and security of RIX, nor restrict the Riksbank's capacity to carry out its tasks. Furthermore, participation must not entail risks that may preclude the applicant from participating in RIX.<sup>1</sup>

The application shall also show that the applicant is aware of the undertakings required of a RIX Participant.

### **3 General information about RIX participation**

The Terms and Conditions are described in:

1. Terms and Conditions for RIX and Monetary Policy Instruments (Terms and Conditions)

In addition to the Master Document<sup>2</sup> to the Terms and Conditions, the following documents contain information that may be important when applying to become a RIX Participant:

2. Annex H1 to the Terms and Conditions for RIX and Monetary Policy Instruments — Definitions and Abbreviations

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<sup>1</sup> Master Document B.3.2.7.

<sup>2</sup> In particular, Sections A., B.1, B.2, B.3.1, B.3.2.1, B.3.2.2, B.3.2.5-B.3.2.7, B.3.2.9 B.4-B.14, C. and E.

3. Annex H2 to the Terms and Conditions for RIX and Monetary Policy Instruments — Accession Agreement
4. Annex H4 to the Terms and Conditions and Monetary Policy Instruments — Collateral instructions
5. RIX-RTGS Instructions
6. RIX-INST Instructions
7. Account Terms for RIX

The applicant shall have reviewed the Terms and Conditions, the instructions and their annexes and be aware of what is required of a RIX Participant. This shall be confirmed on the application form, point 33.

## 4 Application

The application shall be made on form H9.B (a Word form, in which the applicant ticks boxes and enters unlimited text. Complementary information can be submitted in annexes that must be listed on the form. The application shall be submitted both as a signed paper copy, and electronically. Annexes may be submitted in electronic form only. If the applicant considers some of the information in the application is sensitive, the applicant and the Riksbank can agree on a different way of submitting information. The application shall be sent:

By post to:

Riksbanken  
Avdelningen för betalningar  
RIX-enheten  
SE-103 33 Stockholm

Electronically to:

[rix.helpdesk@riksbank.se](mailto:rix.helpdesk@riksbank.se)

## 5 Content of the application

On the form, figures in brackets, e.g. (11), denote the information that is to be submitted. Each figure refers to the section in these instructions with the same number.

### 5.1 Date (1)

The application shall be dated.

### 5.2 Applicant

Information shall be provided on the institution's *name* (2) and the institution's *address* (3). This information shall refer to the legal entity and not to a branch in Sweden.

However, the branch address may also be stated if relevant for the handling of the application.

Information on the *contact person* that the Riksbank is to contact concerning the application shall be provided (4). This information shall consist of name, telephone number and email address.

### 5.2.1 General information about the application

**Approved counterparty category for RIX participation is limited in accordance with Terms and Conditions B.3.1.1.** Please specify therefore the *type of Institution* the applicant is according to the licenses it has in its country of domicile (5)<sup>3</sup>.

The applicant's *country of domicile*, i.e. the country in which the legal entity has its registered office, shall be provided (6). If Sweden is not the country of domicile, please specify *how business operations are conducted in Sweden* (7). Tick Branch if operations are conducted as a branch, and tick Other cross-border activities if operations are conducted without a registered office or branch in Sweden.

Specify the primary authority that exercises *supervision* over the applicant (8)<sup>4</sup>. State also the *contact person at the supervisory authority* (9).

For applicants domiciled abroad, the relevant resolution authority shall be specified (10).

The Riksbank requires information on the *applicant's ownership* (11) and *corporate structure* (12). Ownership refers to both major direct owners themselves and the major owners of such direct owners. Private individuals who indirectly control the applicant shall be specified. Please state both share of equity and voting rights. State whether the applicant or specified owner/s are listed companies. Corporate structure refers to parent company and key subsidiaries and fellow subsidiaries relevant to the application.

### 5.2.2 Financial information (13)

**A RIX Participant shall fulfil the capital requirements applicable in its country of domicile. If the Institution is domiciled outside the EEA, the capital requirement shall be comparable to what applies within the EU.**<sup>5</sup>

**Neither shall the applicant becoming a RIX Participant pose risks to RIX or the Riksbank.**<sup>6</sup>

The Riksbank wishes therefore to understand the applicant's financial position. The applicant shall submit relevant financial information. At least the following information shall be submitted:

1. Total capital
2. Total capital requirement
3. Common Equity Tier 1 capital

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<sup>3</sup> *Business licenses* are to be attached as an annex (35).

<sup>4</sup> Master Document B.3.2.1 (c)

<sup>5</sup> Master Document B.3.2.1 (b).

<sup>6</sup> Master Document B.3.2.7.

4. Common Equity Tier 1 capital requirement
5. Leverage ratio
6. Leverage ratio requirement
7. LCR
8. NSFR

Number 1-6 shall be given in percent and in Swedish kronor or the currency in the applicant's country of domicile.

An applicant that is not a Bank or Credit Institution shall state the capital requirement to which it is subject under the legislation governing its operations. The applicant shall also inform the Riksbank of any other capital held in addition to the relevant capital requirement.

The information shall relate to the applying legal entity. The information shall be based on the definitions applied by the relevant supervisory authority/legislation.

If the required information is available in a report/reports submitted to a supervisory authority, copies thereof may be submitted as an annex to the application.

### 5.2.3 Operations

In order for the Riksbank to understand the applicant's business operations and use of RIX for them, general information shall be submitted on *operations and business idea* (14). Information regarding any participation in other settlement and clearing systems shall be stated in the general description.

The applicant shall provide a more detailed description of the *planned operations in RIX* (15). The description shall contain information on the types of transactions the applicant intends to make in RIX. The information shall include details of the expected number of transactions and transaction amounts including details on estimated development during the first year. To the extent possible, estimates of daily volumes and amounts are preferable. An applicant intending to act as a representative for other Swedish or foreign Institutions shall specify this and include information on the Institutions it intends to represent.

**If the applicant Institution is applying for RIX-RTGS participation without simultaneously applying to become a Monetary Policy Counterparty, and hence does not have access to the standing facilities, the balance on the Settlement Account in RIX RTGS shall be within the framework for the Terms and Conditions (Account Terms for RIX) at RIX-RTGS closure<sup>7</sup>.**

The description of operations in RIX shall contain information on how the applicant intends to meet this requirement.

The applicant shall state which of the two Settlement Services the application is for (16, 17)

An applicant Institution intending to obtain certification for RIX-RTGS and wishing to have the option of utilising Intraday Credit shall specify this (18).

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<sup>7</sup> Account Terms for RIX



In this case, the application shall also contain information on the type of *collateral arrangement* the applicant intends to use and on the type of security or currency they plan to be used for collateral for credit (19) <sup>8</sup>.

If the applicant states that they do not intend to use Intraday Credit at the start of RIX-RTGS participation, the Institution can gain access to Intraday Credit without the need for a new counterparty application. This is on condition that the Institution provides the Riksbank with information corresponding to point 19 above.

A RIX-INST Participant that does not participate in RIX-RTGS shall have an agreement with a RIX-RTGS Participant, whose account in RIX-RTGS may be used for debiting fees and any interest applicable to the RIX-INST Participant. Furthermore, the RIX-INST Participant shall have an agreement with a RIX-RTGS Participant for the transfer of liquidity to the RIX-INST Participant's account in RIX-INST.

An applicant intending to only obtain certification for RIX-INST shall specify the *RIX-RTGS Agent* on the form. (20)<sup>9</sup>

#### 5.2.4 Organisation and risk management

**A RIX Participant shall have the operational capacity to participate in RIX and to efficiently carry out transactions in the way dictated in the Terms and Conditions.**<sup>10</sup>

This means, inter alia, that the applicant shall have the staff and correct skills required to manage Payments and liquidity during the opening hours for the Settlement Service(s) for which the applicant intends to be certified (including any prolonged opening hours in RIX-RTGS). It also means the applicant being able to manage the risks posed by its operations.

Information on the applicant's organisation and risk management are therefore important for the Riksbank to be able to assess whether the requirement has been fulfilled.

The applicant shall provide an overall description of its *organisation* (21). This description shall describe the reporting paths for the various parts of the applicant's organisation affected by the applicant's new status as a RIX Participant.

The applicant shall provide a more detailed description of the part of *the applicant's organisation that will manage payment settlement in RIX* and the staff responsible for collateral and liquidity management (22). The description shall include:

- The staff's training and skills relevant to RIX participation.
- If there is a need to enhance staff skills, information shall be provide regarding planned training (e.g. SWIFT) or other measures.
- Staffing during opening hours (including prolonged opening hours in the RIX-RTGS) during normal periods, during holiday periods and in case of illness. <sup>11</sup>

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<sup>8</sup> Master Document E (Conditions for collateral, etc.)

<sup>9</sup> Master Document C.2.3.5

<sup>10</sup> Master Document B.3.2.2 (a)

<sup>11</sup> RIX-RTGS opening hours Master Document 1.2, RIX-INST opening hours Master Document 2.2

- How routines connected to RIX will be documented and how the documentation will be kept updated.

**If the Institution is certified for RIX-RTGS, the Institution shall apply the four eyes principle when registering Payments in RIX-RTGS Online and when signing Payment Instructions when manual routines for Payment settlement are used<sup>12</sup>**

The four eyes principle requirement does not apply to Liquidity Transfers but only to Payments to another Participant's account. The four eyes principle requires two people to carry out a transaction. One person registers the transaction while another approves it. For the four eyes principle to be applied, at least two people with access to RIX-RTGS must be present the entire time RIX-RTGS is open. In the description of the organisation, the applicant must therefore provide information on how the institution guarantees that payments in RIX-RTGS can be managed in accordance with the four eyes principle during RIX-RTGS opening hours.

### 5.2.5 Risk management

**A RIX Participant shall have the requisite systems and routines for risk management<sup>13</sup> and well-functioning, documented and tested routines for incident management and contingency routines<sup>14</sup>.**

The applicant shall therefore describe *how it manages its risks* (23). The description shall contain:

- A general presentation of the applicant's risk management organisation
- An account of how risks connected with its role as RIX Participant will be managed. This applies, not least, to liquidity risks and operational risks.
- Risks that the applicant considers to be of considerable significance for its operations in RIX shall be described in more detail and include information on the measures taken to reduce these risks.
- Description of routines for incident management and incident organisation
- Information on continuity routines and regularly conducted continuity exercises with staff.

### 5.2.6 Technology and cybersecurity

**A RIX Participant shall have secure technical systems, including protection against cyber threats, and apply requirements and, to the greatest extent possible, recommendations on security arrangements issued by operators of networks and message management systems utilised by the RIX Participant<sup>15</sup>.**

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<sup>12</sup> Master Document B.3.2.2 (f)

<sup>13</sup> Master Document B.3.2.2 (b)

<sup>14</sup> Master Document B.3.2.2 (e)

<sup>15</sup> Master Document B.3.2.2 (c)

**A RIX Participant shall, at any point in time, have requisite continuity solutions including technical redundancy<sup>16</sup>**

For the Riksbank to be able to assess whether these conditions have been fulfilled, the applicant shall provide a general description of its *IT organisation and internal systems for management of payments* (24). The description shall contain, inter alia:

- Information on whether all or parts of the company's IT operations are outsourced
- Description of the process for change management in the technical environment
- If the aim of the application is to obtain certification for the RIX-RTGS service, the applicant shall confirm that the applicant will have access to both SWIFT FIN Copy and RIX-RTGS Online<sup>17</sup> in order to send and receive payment instructions and other information
- For the RIX-INST service, the name of the NSP (network service provider) chosen by the applicant to send and receive payment instructions and other information shall be specified (25).<sup>18</sup>
- The applicant shall state whether it intends to go via a service agency for SWIFT.
- Applicants with an existing SWIFT membership shall state their BIC (26). Applicants that are not members of SWIFT at the time of application shall confirm that they intend to apply for such membership.

**A RIX-INST Participant has the right to send and receive information to and from RIX-INST via another actor acting as Instructing Party<sup>19</sup>. Since the Instructing Party does not have a relationship with the Riksbank, the RIX-INST Participant is always responsible to the Riksbank for its Instructing Parties<sup>20</sup>.**

If the applicant intends to use an Instructing Party (IP) or Single Instructing Party (SIP)<sup>21</sup> instead of handling the technical interaction with RIX-INST itself, this shall be indicated under *IT organisation and internal systems for management of payments* (24).

As the RIX-INST Participant is responsible for its Instructing Parties according to the Terms and Conditions, the applicant also needs to describe how it monitors that the IP and/or SIP act in accordance with the Terms and Conditions.

**The Riksbank can refuse to allow a RIX-INST Participant to use a specific actor as an Instructing Party if the Riksbank judges that the use of the Instructing Party may jeopardise general stability, soundness or security in RIX-INST. Neither may the use of the Instructing Party jeopardise the capacity of the Riksbank to carry out its tasks or be considered to pose risks that disallow the actor from acting in RIX-INST for precautionary reasons<sup>22</sup>.**

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<sup>16</sup> Master Document B.3.2.2 (d)

<sup>17</sup> Master Document C.1.1.1 (a)

<sup>18</sup> Master Document C.2.1.1 (a)

<sup>19</sup> Master Document C.2.3.2 (a)

<sup>20</sup> Master Document C.2.3.2 (b)

<sup>21</sup> Master Document C.2.3.3

<sup>22</sup> Master Document C.2.3.2 (c)

Grounds for refusing to allow a RIX-INST Participant to use an actor as Instructing Party based on this principle may include, but are not limited to:

- The Riksbank deems that the actor poses an increased risk to overall stability or of cyber attacks due to inadequate technology, routines or organisation
- The actor's incident management is inefficient and leads to longer breakdowns than necessary
- The actor's processing of payment instructions is incorrect or slow and leads to an abnormally high number of failed or expired transactions (see status for payment instructions in Table 37 in the *RIX-INST Instructions*).
- The involvement of the actor in the settlement flow makes the overall settlement flow so time consuming that it results in inefficient management. Either because it cannot process sufficiently large volumes per unit of time or because the process takes too long in general.

**A RIX-INST Participant shall have adhered to the NCT Inst Scheme by having signed a NPC Instant Credit Transfer Adherence Agreement (27).<sup>23</sup>**

- An applicant intending to obtain certification for RIX-INST shall confirm that it will have adhered to NCT Inst by the date that the RIX-INST Participant is launched in RIX-INST. An applicant intending to apply for exemption from this requirement shall specify this<sup>24</sup>. The applicant shall also describe the reason for the exemption application.

The applicant shall describe in more detail its *protection against cyber threats and contingency solutions for the management and prevention of operational or communication breakdowns (28)*. The description shall contain, inter alia:

- Information on the standards that are implemented for protection against cyber threats and how compliance to these standards is monitored within the organisation.
- It shall be stated if reviews or tests within the area of cyber threats, such as penetration tests, have been carried out in the last two years. Please specify any outstanding measures as a result of such reviews or tests.
- Information on exercises/checks that are regularly carried out
- Description of continuity solutions, reserve systems, and reserve sites that are relevant to the management and prevention of operational or communication breakdowns.
- Information on requirements or recommendations concerning security arrangements that have been applied, an important security arrangement being SWIFT's Customer Security Programme.

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<sup>23</sup> Master Document C.2.1.1 (c)

<sup>24</sup> Master Document C.2.1.1 (d)

## 5.2.7 General soundness

**An Institution may only be a Participant in RIX and/or a Monetary Policy Counterparty if the Riksbank deems that the participation will not jeopardise the general stability, soundness or security of RIX or the Monetary Policy Operational Framework. Neither may the participation jeopardise the Riksbank's ability to carry out its tasks or be deemed to entail such risks as to mean that the Institution's participation in RIX and/or the Monetary Policy Operational Framework cannot be approved for reasons of caution<sup>25</sup>.**

During the application process and regularly during the RIX participation the Riksbank evaluates how the Institution complies with the requirement of general soundness.

Grounds for refusal of participation in RIX-RTGS or RIX-INST based on this principle may include, but are not limited to:

- The Riksbank deems that the Institution poses an increased risk to overall stability or of cyber attacks due to inadequate technology, routines or organisation
- The actor's incident management is inefficient and leads to longer breakdowns than necessary
- The actor's processing of payment instructions is incorrect or slow and leads to an abnormally high number of invalid, failed or expired transactions (see status for payment instructions in Section 11.4 in *RIX-RTGS Instructions* and Table 37 in *RIX-INST Instructions*).

## 5.3 Confirmations and undertakings

According to the Terms and Conditions, a prerequisite for being accepted as a RIX Participant is that the institution assume a number of undertakings. In the application, the applicant shall certify that it assumes these undertakings and confirm that the Terms and Conditions have been fulfilled.

This certification is done by the applicant, in the application, ticking the boxes for each confirmation or undertaking respectively as shown below.

- *Grant permission for all information concerning the institution that has been provided or will be provided to the Riksbank, as well as information on transactions in RIX and collateral for credits, to be used by the Riksbank in the execution of its tasks and to be shared with the appropriate supervisory or resolution authority within the framework of the Riksbank's cooperation with such authorities. (29).*<sup>26</sup>

The Riksbank may also use information provided to it by the Institution as a RIX Participant for other purposes that are compatible with the Sveriges Riksbank Act (1988:1385). The same applies to information about transactions made by

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<sup>25</sup> Master Document B.3.2.7

<sup>26</sup> Master Document B.3.2.1 (d).

the Institution in RIX or with the Riksbank. In addition to the Riksbank using this information internally within the Riksbank, the Riksbank may share this information with supervisory and resolution authorities, i.e. Finansinspektionen and the Swedish National Debt Office in Sweden.

- *Undertake to inform the Riksbank, without delay, of changes concerning the Institution's ownership, financial position, operations, organisation and risk management of which the Institution has previously informed the Riksbank or which may be significant for checking the qualification requirements. (30).*<sup>27</sup>

The information submitted by the applicant to the Riksbank in connection with the application or thereafter is used by the Riksbank for several purposes. One purpose is to determine whether the applicant fulfils the requirements imposed on a RIX Participant. Another is to give the Riksbank information about the applicant and the applicant's operations. It is therefore important that this information is correct over time. This means that if changes occur during the application process, or later once the applicant has become a RIX Participant, the applicant shall inform the Riksbank about such changes without delay.

- *Undertake to provide the financial information requested by the Riksbank (31).*<sup>28</sup>

The Riksbank needs to be able to assess the risks a RIX Participant may pose to the functioning of the RIX system and to the Riksbank. One such risk concerns the fact that a RIX Participant may be given access to significant credit opportunities at the Riksbank. Not least as a potential lender, the Riksbank then needs to be able to obtain relevant financial information from its RIX Participants. The information that the Riksbank may request will be of a nature that the Riksbank expects the Participant to already have access to and will not need to produce especially for the Riksbank.

- *Undertake at the request of the Riksbank to meet the Riksbank to discuss its role as RIX Participant and otherwise participate in the monitoring of RIX Participants regularly carried out by the Riksbank and to provide the information requested by the Riksbank (32).*<sup>29</sup>

The Riksbank regularly monitors its RIX Participants. This can be done at different time intervals. In connection with such monitoring, the Riksbank may request certain written information from the RIX Participant and may also request that the RIX Participant confirm certain circumstances. If the Riksbank deems it necessary, the Riksbank may also wish to discuss the role as RIX Participant at a meeting with the Participant.

- *Undertake to inform the Riksbank of changes in operations that may be of significance for RIX (33).*<sup>30</sup>

Efficient management of transactions in RIX is important for the stability of the

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<sup>27</sup> Master Document B.3.2.1 (g) (ii)

<sup>28</sup> Master Document B.3.2.1 (g)(iii)

<sup>29</sup> Master Document B.3.2.1 (g)(iv)

<sup>30</sup> Master Document B.3.2.1 (g)(v)

system and for the system to function smoothly for all Participants. The Riksbank shall be informed if a RIX Participant changes its operations as regards its actions in RIX.

- *Undertake to comply with the Terms and Conditions where applicable and with other provisions applicable to its operations, including applicable legislation on money laundering and the funding of terrorism. (34).<sup>31</sup>*

This means that the Participant, in addition to the laws and regulations applicable to its operations, shall also have reviewed the requirements, rights and obligations with regard to RIX participation as laid down in the Terms and Conditions.

- *Undertake to follow the Instructions that apply to the settlement service(s) for which the Institution is certified<sup>32</sup> (35).*

Instructions for RIX-RTGS and RIX-INST describe how the different Settlement Services work and thus contain important information which the applicant needs to assimilate in order to be able to act correctly in each Settlement Service.

- *Undertake to participate in the recurrent exercises relating to incident management and contingency routines arranged by the Riksbank (36).<sup>33</sup>*

Every year, the Riksbank arranges exercises in contingency routines and incident management to ensure that all parties know how they are expected to act in the event of an incident. It is of the utmost importance that all RIX Participants have sufficient knowledge of the Riksbank's contingency routines and have practised how to act in such situations. The Riksbank therefore expects all RIX Participants to take part in the exercises arranged unless there are special grounds preventing the RIX Participant from doing so.

- *Undertake to inform the Riksbank if it becomes aware of circumstances that it considers could disrupt the communication and Settlement Procedure in RIX or considers could affect security in the Institution's system or security in RIX. (37).*

<sup>34</sup>

It is important for the Riksbank to receive information as early as possible about circumstance that may disrupt the function of or affect security in RIX. This is in order to minimise the effect of an incident and to ensure that all parties affected by the incident have sufficient information. The RIX Participant is therefore expected to inform the Riksbank without delay about its own incidents or other circumstances that may disrupt the function of or affect security in RIX.

- Undertake to provide an incident report following the occurrence of any operational or communication disruption that has affected settlement in RIX or

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<sup>31</sup> Master Document B.3.2.1 (g)(vi)

<sup>32</sup> Master Document B.3.2.2 (h) (i)

<sup>33</sup> Master Document B.3.2.2 (h) (ii)

<sup>34</sup> Master Document B.3.2.2 (h) (iii)

the Institution considers could have affected the settlement in RIX. An incident report shall also be provided following the occurrence of a security incident that has affected security in RIX or that the Institution considers could have affected security in RIX (38).<sup>35</sup>

Incident reports are an important tool for the Riksbank to be able to obtain information regarding the solution to the incident or on how similar incidents can be avoided by other RIX Participants. The RIX Participant is therefore expected to submit incident reports in accordance with the time frames specified in Master Document C.5.1.4 (b) (c)

- *Allow the Riksbank to forward information to the Riksbank's technical suppliers regarding security incidents at the Institution that are judged to affect security in RIX and where the information is deemed to be of importance for the Riksbank's technical suppliers (39).*

It is important that information on security incidents that may have an impact on security in RIX can be forwarded to the Riksbank's technical suppliers so that any immediate effect can be minimised and the risk of recurrent incidents can be eliminated. The permission only applies to Technical Suppliers that are central banks and under the condition that the information is given under binding confidentiality commitment from the Riksbank's Technical Suppliers.

- *Confirm that the Institution's recovery plan covers the operations that the applicant intends to conduct as a result of its RIX participation (40).<sup>36</sup>*

All RIX Participants contribute to the stability and efficiency of RIX. If the Institution has a recovery plan in accordance with Finansinspektionen regulation FFFS 2016:6 or equivalent national legislation, the recovery plan shall cover measures to restore the company's going concern capability if the company is declared to be in crisis.

This requirement shall be fulfilled on the day the Accession Agreement is concluded.

- Confirm that it has reviewed the relevant parts of the Terms and Conditions for RIX and Monetary Policy Instruments, including annexes and instructions, and understands what applies to a RIX Participant (41).<sup>37</sup>

The requirements imposed on a RIX Participant are laid down in the Terms and Conditions for RIX and Monetary Policy Instruments (Terms and Conditions) as are the Participant's rights and obligations. It is therefore important for the applicant to study the Terms and Conditions carefully.

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<sup>35</sup> Master Document B.3.2.2 (h) (iv)

<sup>36</sup> Master Document B.3.2.2 (g)

<sup>37</sup> Compare Section B.3 of this document.



## 5.4 Annexes

Details shall be given about the information provided in separate annexes that complements the Application. Six annexes are compulsory.

- Authorisation document(s) for the signatory(ies) of the Application (42). If someone signs the application as a result of a special power of attorney, both the power of attorney and the authorisation document (e.g. certificate of incorporation) for the power of attorney provider shall be enclosed.
- A certificate of incorporation (43) issued no earlier than two months prior to submission of the application
- Articles of association (44) or equivalent document detailing the object of the applicant's company.
- Operating licences and authorisations (45)
- Annual reports for the last three years (46). If annual reports for the last three years are not available because the applicant is a newly started institution, a copy of the forecasts the institution used when applying for its licence may be provided.
- Minutes from meetings with the company's board of directors or equivalent body which show that the application has been approved by the board or equivalent body. (47)
- Analysis of legal status (48) Applies only to Institutions domiciled abroad.<sup>38</sup>  
The applicant shall provide a statement from either an in-house lawyer or a well-reputed external law firm regarding the applicant's legal status and capacity to assume with binding effect the rights and obligations ensuing from the Terms and Conditions. The Riksbank requests that the analysis adheres as far as possible to the Riksbank's instructions. Applicants domiciled abroad are therefore asked to contact the Riksbank before work is started.
- Legal system in the applicant's country of domicile (49) Applies only to Institutions domiciled abroad.<sup>39</sup>  
The applicant shall provide a statement from a well-known external law firm regarding legislative provisions in the applicant's country of domicile with significance for the validity and applicability of the Terms and Conditions in that country. The Riksbank requests that the statement adheres as far as possible to the Riksbank's instructions. Applicants domiciled abroad are therefore asked to contact the Riksbank before work is started.

For other annexes, tick the box and state what the annex refers to (rows after row 50).

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<sup>38</sup> Compare Master Document B.3.2.1 (e)(i) and B.4.2.2

<sup>39</sup> Compare Master Document B.3.2.1 (e)(ii) and B.4.2.2

## 5.5 Signature

An authorised representative for the applicant shall sign the application (51). By signing the application, the applicant also confirms that it fulfils the requirements in accordance with the Terms and Conditions, that the information in the application is correct, and that the applicant assumes the undertakings listed above.

# **C. General information about applying to become a Monetary Policy Counterparty to the Riksbank**

## **1 The purpose of this section**

The purpose of this section is to describe how to apply to become a Monetary Policy Counterparty.

## **2 The purpose of the application**

The purpose of the application is to inform the Riksbank of the identity of the applicant and the role the applicant intends to play as a Monetary Policy Counterparty.

Furthermore, the application shall show that the applicant, in a general sense, has the operational capacity to act as a Monetary Policy Counterparty and implement monetary policy transactions. The applicant shall also show that other requirements for being a Monetary Policy Counterparty are fulfilled.

The information in the application shall show that the applicant, in its capacity as Monetary Policy Counterparty, will not jeopardise the general stability, soundness and security of RIX or the Monetary Policy Operational Framework, nor will restrict the Riksbank's capacity to carry out its tasks, nor pose risks that will preclude the applicant from being a Monetary Policy Counterparty.<sup>40</sup>

The application shall also show that the applicant is aware of the undertakings required of a Monetary Policy Counterparty.

## **3 General information on Monetary Policy Counterparties**

The Riksbank's operational framework for monetary policy is described in general terms in the documentation:

- A. The Riksbank's operational framework for the implementation of monetary policy<sup>41</sup>

The applicant shall have reviewed these documents and be aware of how the Monetary Policy Operational Framework functions and how monetary policy transactions are used. This shall be confirmed on the application form, point 25.

Based on these documents, the more detailed terms and conditions are laid down in

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<sup>40</sup> Compare Master Document B.3.2.7.

<sup>41</sup> Published on the Riksbank website.

B. Terms and Conditions for RIX and Monetary Policy Instruments (Terms and Conditions)

In addition to the Master Document<sup>42</sup> to the Terms and Conditions, the following documents contain information that may be important when applying to become a Monetary Policy Counterparty:

- C. Annex H1 to the Terms and Conditions for RIX and Monetary Policy Instruments — Definitions and Abbreviations
- D. Annex H2 to the Terms and Conditions for RIX and Monetary Policy Instruments — Accession Agreement
- E. Annex H4 to the Terms and Conditions and Monetary Policy Instruments — Collateral instructions
- F. RIX-RTGS Instructions<sup>43</sup>
- G. Monetary Policy Instruments Instructions
- H. Account Terms for RIX

The applicant shall have reviewed the Terms and Conditions and its annexes and the Instructions and be aware of what is required of a Monetary Policy Counterparty. This shall be confirmed on the application form, point 26.

## 4 Application

The application shall be made on form H9.C (a Word form, in which the applicant ticks boxes and enters unlimited text. Complementary information can be submitted in annexes that must be listed on the form. The application shall be submitted both as a signed paper copy, and electronically. Annexes may be submitted in electronic form only.

The application shall be sent:

By post to:

Riksbanken  
Avdelningen för marknader  
Enheten för marknadsstrategi  
103 33 Stockholm

Electronically to:

[afm.enheten.for.marknadsstrategi@riksbank.se](mailto:afm.enheten.for.marknadsstrategi@riksbank.se)

If the application to become a Monetary Policy Counterparty is made at the same time as the application to become a RIX Participant, the two applications may be sent in

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<sup>42</sup> In particular, Sections A., B.1, B.2, B.3.1.2, B.3.2.1, B.3.2.3, B.3.2.5-B.3.2.8, B.4-B.9, B.11-B14, D. and E.

<sup>43</sup> In particular, Sections 7.1.3, 7.2.2, 10.2 and 10.3, but as RIX is used for the implementation of many monetary policy transactions, other sections of the document may also be relevant.

together. The application to become a Monetary Policy Counterparty must be a separate application, however.

## 5 Content of the application

On the form, figures in brackets, e.g. (11), denote the information that is to be submitted. Each figure refers to the section in these instructions with the same number.

### 5.1 Date (1)

The application shall be dated.

### 5.2 Applicant

Information shall be provided on the Institution's *name* (2) and the Institution's *address* (3). This information shall refer to the legal entity and not to a branch in Sweden. However, the branch address may also be stated if relevant for the handling of the application.

Information on the *contact person* that the Riksbank is to contact concerning the application shall be provided (4). At a minimum, this information shall consist of name, telephone number and email address.

### 5.3 General information about the application

**Only credit institutions<sup>44</sup> domiciled or with a branch in Sweden can become a Monetary Policy Counterparty.** Please specify therefore the *type of Institution* the applicant is according to the licenses it has in its country of domicile (5).

The applicant's *country of domicile*, i.e. the country in which the legal entity has its registered office, shall be provided (6). If Sweden is not the country of domicile, please specify *how business operations are conducted in Sweden* (7). Tick Branch if operations are conducted as a branch. A Monetary Policy Counterparty is required to be domiciled or have a branch in Sweden.

Specify the primary authority that exercises *supervision* over the applicant (8). State also the contact person at the supervisory authority (9).

The Riksbank requires information on the applicant's *ownership* (10). Ownership refers to both major direct owners themselves and the major owners of such direct owners. Private individuals who indirectly control the applicant shall be specified. Please state both share of equity and voting rights. State whether the applicant or specified owner/s are listed companies.

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<sup>44</sup> Credit institution under EU law. Compare Master Document B.3.2.3.

## 5.4 Financial information (11)

**A Monetary Policy Counterparty shall fulfil the capital requirements applicable in the country where the Counterparty is domiciled. If the Institution is domiciled outside the EEA, the capital requirement shall be comparable to what applies within the EU.**<sup>45</sup>

**Neither shall the applicant becoming a Monetary Policy Counterparty pose risks to the Monetary Policy Operational Framework or to the Riksbank.**<sup>46</sup>

The Riksbank wishes therefore to understand the applicant's financial position. The applicant shall submit relevant financial information. At least the following information shall be submitted:

- Common Equity Tier 1 capital
- Tier 1 capital
- Total capital base
- Total capital requirements
- Risk exposure amount (REA)
- Total leverage ratio exposure
- Liquidity buffer (LCR)
- Liquidity coverage ratio (LCR)

The information shall relate to the legal entity applying to become a Monetary Policy Counterparty. The information shall hence not refer to the entire group to which the applicant belongs, not to just one branch in Sweden. The information shall be based on the definitions applied by the relevant supervisory authority/legislation.

If the required information is available in a report/reports submitted to a supervisory authority, copies thereof may be submitted as an annex to the application.

## 5.5 Operations

### 5.5.1 Participant in RIX-RTGS

**A Monetary Policy Counterparty must be a Participant in RIX-RTGS.**<sup>47</sup> If the applicant is already a Participant, box (12) shall be ticked and the date when the applicant became a Participant in RIX-RTGS shall be entered in (13). If the applicant is not a Participant in RIX-RTGS but is applying to be a RIX-RTGS Participant at the same time as this application, information to this effect shall be provided in (13).

For the Riksbank to understand the applicant's operations and its use of RIX for them, information shall be provided on what *"types" of transactions are implemented in RIX* (14) (or are intended to be implemented in RIX). The information shall include the scope

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<sup>45</sup> Compare Master Document B.3.2.1 (c).

<sup>46</sup> Compare Master Document B.3.2.7.

<sup>47</sup> Compare Master Document B.3.2.3.

of the values of these various transactions. To the extent possible, an estimate of the daily scope is preferable.

### 5.5.2 Actions on the money and bond markets (16)

For the Riksbank to understand the applicant's operations, the applicant shall describe how it acts on the money and bond markets. As background to this, the applicant shall describe in general terms how it funds its operations (15).

The applicant shall give an account of its actions on the money market, particularly regarding the shorter-term money market (16). The type of transactions the applicant makes and the types of counterparties the applicant has in these transactions shall be stated. The presentation shall include how the applicant normally manages daily surpluses and deficits in Swedish krona.

The Riksbank's monetary policy instruments are described in "The Riksbank's operational framework for the implementation of monetary policy"<sup>48</sup>. The applicant shall also list which monetary policy instruments it plans to use (17).

## 5.6 Organisation and risk management

**A Monetary Policy Counterparty shall have the operational capacity to act as one.**<sup>49</sup>

Among other things, this means having the capacity to act on relevant markets, conclude business with the Riksbank and other parties, and implement transactions. It also means having an established arrangement for pledging collateral to the Riksbank, having the appropriately skilled staff, a well-balanced organisation, access to the systems support required and being able to manage the risks entailed by its operations.

Information on the applicant's organisation and risk management are therefore important for the Riksbank to be able to assess whether the requirement has been fulfilled.<sup>50</sup>

The applicant shall provide a general description of its organisation (18). This description shall, inter alia, outline the reporting paths for the various parts of the applicant's organisation affected by the applicant's status as a Monetary Policy Counterparty.

The applicant shall describe, in more detail, the part of its organisation that concludes business concerning monetary policy transactions (19). It shall also describe, in more detail, the part of its organisation that concludes the settlement of these transactions (20). The descriptions shall specify which control functions the institution uses to avoid errors, as well as which systems support is used to manage monetary policy transactions.

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<sup>48</sup> The management of the monetary policy instruments is described Section D of the Master Document.

<sup>49</sup> Compare Master Document B.3.2.3.

<sup>50</sup> According to p. (25) in the Application (and these Instructions), the applicant shall also confirm that it has this capacity.

### 5.6.1 Contact persons

The Riksbank wants the applicant to have a designated person with the overall responsibility for the applicant's role as a Monetary Policy Counterparty (21).

The Riksbank also wants there to be contact persons, both for questions about the entering-into of monetary policy transactions, i.e. "front office aspects" (22), and questions about the implementation/settlement of monetary policy transactions, i.e. "back office aspects" (23).

Information concerning these persons shall include name, telephone number and email address. For the person with overall responsibility, information on their role within the institution's organisation shall be presented.

### 5.6.2 Risk management

Having good risk management is an important aspect as regards having the operational capacity to be a Monetary Policy Counterparty. The applicant shall therefore describe how it manages its risks (24). In addition to providing an overall account of the applicant's risk management organisation, the description shall particularly highlight the management of risks connected to its role as Monetary Policy Counterparty. This applies, not least, to liquidity risks and operational risks.

## 5.7 Confirmations and undertakings

According to the Terms and Conditions, a prerequisite for being accepted as a Monetary Policy Counterparty is that the Institution assume a number of undertakings.<sup>51</sup> The applicant shall also certify that it assumes these undertakings and also confirm that it has the operational capacity to act as a Monetary Policy Counterparty.<sup>52</sup> The applicant shall also confirm that it has reviewed the documentation applicable to a Monetary Policy Counterparty and understands what this entails.<sup>53</sup> This certification is done by the applicant, in the application, ticking the boxes for each confirmation or undertaking respectively as shown below.

- *Confirm that it has reviewed the Description of the Riksbank's Monetary Policy Operational Framework and understands how the operational framework works and how monetary policy transactions are used (25).*<sup>54</sup>  
It is important for the applicant to understand how the operational framework functions and how monetary policy transactions are used. This is so that the applicant understands the implications of being a Participant in the Monetary Policy Operational Framework and to ensure that it really does possess the operational capacity required to act as a Monetary Policy Counterparty.
- *Confirm that it has reviewed the relevant parts of the Terms and Conditions for RIX and Monetary Policy Instruments, including annexes and instructions, and*

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<sup>51</sup> Compare Master Document B.3.2.1 (f) and B.3.2.3 (a)-(b).

<sup>52</sup> Compare Master Document B.3.2.5.

<sup>53</sup> Compare Section C.3 of this document.

<sup>54</sup> Compare Section C.3 of this document.



*understands what applies to a Monetary Policy Counterparty (26).*<sup>55</sup>

The requirements imposed on a Monetary Policy Counterparty are laid down in the Terms and Conditions for RIX and Monetary Policy Instruments (Terms and Conditions) as are the Counterparty's rights and obligations. It is therefore important for the applicant to study the Terms and Conditions and instructions carefully.

- *Confirm that the applicant has the operational capacity to act as Monetary Policy Counterparty (27).*<sup>56</sup>

Having the operational capacity to act as Monetary Policy Counterparty means, inter alia, having the capacity to act on relevant markets, conclude business with the Riksbank and other parties, and implement transactions. It also means having an established arrangement for pledging collateral to the Riksbank, having the appropriately skilled staff, having a well-balanced organisation, having access to the systems support required and being able to manage the risks entailed by its operations. This requirement shall be fulfilled on the day the Accession Agreement is concluded.

- Grant permission for all information concerning the Counterparty that has been provided or will be provided to the Riksbank, as well as information on monetary policy transactions and collateral for credits, to be used by the Riksbank in the execution of its tasks and to be shared with the appropriate supervisory or resolution authority within the framework of the Riksbank's cooperation with such authorities (28).<sup>57</sup>

The Riksbank may also use information provided to it by the Counterparty as a Monetary Policy Counterparty for other purposes that are compatible with the Sveriges Riksbank Act (1988:1385). The same applies to information about transactions made by the Counterparty in RIX or with the Riksbank. In addition to the Riksbank using this information internally within the Riksbank, the Riksbank may share this information with supervisory and resolution authorities in Sweden, i.e. Finansinspektionen and the Swedish National Debt Office.

- *Undertake to inform the Riksbank, without delay, of changes concerning the Counterparty's ownership, financial position, operations, organisation and risk management of which the Counterparty has previously informed the Riksbank or which may be significant for checking the qualification requirements (29).*<sup>58</sup>

The information submitted by the applicant to the Riksbank in connection with the application or thereafter is used by the Riksbank for several purposes. One purpose is to determine whether the applicant fulfils the requirements imposed on a Monetary Policy Counterparty. Another is to give the Riksbank information about the applicant and the applicant's operations. It is therefore important that this information is correct over time. This means that if changes occur during the application process, or later once the applicant has become a Counterparty, the applicant shall inform the Riksbank about such changes without delay. Even if the applicant has not submitted information on certain circumstances before, it

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<sup>55</sup> Compare Section C.3 of this document.

<sup>56</sup> Compare Master Document B.3.2.3.

<sup>57</sup> Compare Master Document B.3.2.1 (d).

<sup>58</sup> Compare Master Document B.3.2.1 (f)(ii).

shall also submit information on changes with regard to these circumstances if it may be relevant for the assessment of whether the institution still fulfils the requirements imposed on being a Monetary Policy Counterparty

- *Undertake to provide the financial information requested by the Riksbank (30).*<sup>59</sup>

The Riksbank needs to be able to assess the risks a Monetary Policy Counterparty may pose to the Monetary Policy Operational Framework and to the Riksbank. One such risk concerns the fact that a Monetary Policy Counterparty is given access to significant credit opportunities at the Riksbank. Not least as a potential lender, the Riksbank then needs to be able to obtain relevant financial information from its Counterparties. The information that the Riksbank may request will be of a nature that the Riksbank expects the Counterparty to already have access to and will not need to produce especially for the Riksbank.

- *Undertake at the request of the Riksbank to meet the Riksbank to discuss its role as Monetary Policy Counterparty and to in other ways take part in the monitoring of counterparties regularly carried out by the Riksbank and to provide the information requested by the Riksbank (31).*<sup>60</sup>

The Riksbank regularly monitors its Counterparties. This can be done at different time intervals. In connection with such monitoring, the Riksbank may request certain written information from the Counterparty and may also request that the Counterparty confirm certain circumstances. If the Riksbank deems it necessary, the Riksbank may also wish to discuss the role as Monetary Policy Counterparty at a meeting with the Counterparty.

- *Undertake to inform the Riksbank of changes in operations that may be of significance for the functioning of the Monetary Policy Operational Framework (32).*<sup>61</sup>

An efficient monetary policy transmission mechanism is important for the Monetary Policy Operational Framework. The actions of Monetary Policy Counterparties on the relevant financial markets, the money market (including the overnight market) and the bond market are therefore of significance for the Riksbank. The Riksbank shall be informed if a Monetary Policy Counterparty changes its operations as regards its actions on these markets.

- *Undertake, as soon as practically possible, to inform the Riksbank of important structural changes and development trends on the Swedish money and bond markets (33).*<sup>62</sup>

Well-functioning money and bond markets are a precondition for an efficient monetary policy transmission mechanism, which in turn is important for the Monetary Policy Operational Framework. It is therefore important for the Riksbank to be aware of developments on the money and bond markets. The Riksbank shall therefore be informed if the Counterparty becomes aware of changes or development trends.

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<sup>59</sup> Compare Master Document B.3.2.1 (f)(iii).

<sup>60</sup> Compare Master Document B.3.2.1 (f)(iv).

<sup>61</sup> Compare Master Document B.3.2.1 (f)(v).

<sup>62</sup> Compare Master Document B.3.2.3 (a)(i).

- *Undertake, as soon as practically possible, to inform the Riksbank of factors that may affect the Swedish money and bond markets in the short term and which the Riksbank cannot be expected to have received knowledge of in some other way (34).*<sup>63</sup>

Well-functioning money and bond markets are a precondition for an efficient monetary policy transmission mechanism, which in turn is important for the Monetary Policy Operational Framework. It is therefore important for the Riksbank to be aware of factors that can affect the money and bond markets in the short term. The Riksbank shall therefore be informed if the Counterparty becomes aware of such factors.

- *Undertake, as soon as practically possible, to inform the Riksbank if the Counterparty suspects or is aware of trading anomalies on the money and bond markets, e.g. because transactions deviate from what is normal as regards their size, frequency or price (35).*<sup>64</sup>

Well-functioning money and bond markets are a precondition for an efficient monetary policy transmission mechanism, which in turn is important for the Monetary Policy Operational Framework. Market anomalies can jeopardise the efficiency of the Monetary Policy Operational Framework. The Riksbank shall therefore be informed of such anomalies. However, information submitted to the Riksbank does not replace any reporting obligations the Counterparty may have in relation to other authorities.

- *Undertake, as soon as practically possible, to inform the Riksbank of important staff changes that have significance for the Riksbank's contacts with the institution, especially with regard to the responsible contact persons (36).*<sup>65</sup>

It is important for the Riksbank to know which persons at the Counterparty are expected to have contact with the Riksbank. This is not least true of responsible contact persons. The Riksbank shall therefore be informed if changes concerning these persons take place.

- *Undertake, in accordance with the Riksbank's detailed instructions, to report to the Riksbank both the size of the turnover of the Monetary Policy Counterparty and its group companies in the money and bond markets, and information on transactions on the money market (37).*<sup>66</sup>

To allow the Riksbank to follow activities on the money and bond markets, the monetary policy counterparties shall be prepared to submit information about their own activity on these markets. This concerns the Counterparty's turnover on the money and bond markets, broken down into different product and counterparty segments. It also concerns volumes and applied interest rates on the overnight market, i.e. transactions with a maturity of one banking day. The Riksbank issues instructions on what is to be reported, how and at what frequency this shall take place. The Riksbank can refrain from demanding reports or can limit the scope of reporting from a Counterparty that, according to the judgement of the Riksbank, has very little significance for the market in

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<sup>63</sup> Compare Master Document B.3.2.3 (a)(ii).

<sup>64</sup> Compare Master Document B.3.2.3 (a)(iii).

<sup>65</sup> Compare Master Document B.3.2.3 (a)(iv).

<sup>66</sup> Compare Master Document B.3.2.3 (b).

question.

Annex 1 to these Instructions applies to reporting.

## 5.8 Annexes

Details shall be given about the information provided in separate annexes that complements the Application. Two annexes are compulsory.

- Authorisation document(s) for the signatory(ies) of the Application (38). If someone signs the application as a result of a special power of attorney, both the power of attorney and the authorisation document (e.g. certificate of incorporation) for the power of attorney provider shall be enclosed.
- The applicant's latest annual report (39).
- Minutes from meeting with the company's board of directors or equivalent body which show that the application has been approved by the board or equivalent body (40).

For other annexes, tick the box and state what the annex refers to (row 41 and subsequent rows).

## 5.9 Signature

An authorised representative for the applicant shall sign the application (42). By signing the application, the applicant also confirms that it fulfils the requirements in accordance with the Terms and Conditions, that the information in the application is correct, and that the applicant assumes the undertakings listed above.

# **D. Instructions for applying to become a Counterparty to the Riksbank in Foreign Exchange (FX) Transactions**

## **1 The purpose of this section**

The purpose of this section is to describe how to apply to become a Counterparty in FX Transactions.

## **2 The purpose of the application**

The purpose of the application is to inform the Riksbank of the identity of the applicant and the role it intends to play as a Counterparty in FX Transactions.

Furthermore, the application shall show that the applicant, in a general sense, has the operational capacity to act as a Counterparty in FX Transactions and implement FX transactions. It shall also show that other requirements for being a Counterparty in FX Transactions are fulfilled.

The application shall also show that the applicant is aware of the undertakings required of a Counterparty in FX Transactions.

## **3 General information on Counterparties in FX Transactions**

The Riksbank's operational framework for monetary policy is described in general terms in the documentation:

- A. Description of the Riksbank's operational framework for the implementation of monetary policy<sup>67</sup>

The applicant shall have reviewed these documents and be aware of how the operational framework for monetary policy functions and how FX transactions are used. This shall be confirmed on the application form, point 22.

Based on these documents, the more detailed terms and conditions are laid down in

- B. Terms and Conditions for RIX and Monetary Policy Instruments (Terms and Conditions)

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<sup>67</sup> Published on the Riksbank website.

In addition to the Master Document<sup>68</sup> to the Terms and Conditions, the following documents contain information that may be important when applying to become a Counterparty in FX Transactions:

- C. Annex H1 to the Terms and Conditions for RIX and Monetary Policy Instruments  
— Definitions and Abbreviations
- D. Annex H2 to the Terms and Conditions for RIX and Monetary Policy Instruments  
— Accession Agreement

The applicant shall have reviewed the Terms and Conditions and associated annexes and be aware of what is required of a Counterparty in FX Transactions. This shall be confirmed on the application form, point 23.

## 4 Application

The application shall be made on form H9\_D (a Word form, in which the applicant ticks boxes and enters unlimited text. Complementary information can be submitted in annexes that must be listed on the form. The application shall be submitted both as a signed paper copy, and electronically. Annexes may be submitted in electronic form only.

The application shall be sent:

By post to:

Riksbanken  
Avdelningen för marknader  
Enheten för marknadsstrategi  
103 33 Stockholm

Electronically to:

[afm.enheten.for.marknadsstrategi@riksbank.se](mailto:afm.enheten.for.marknadsstrategi@riksbank.se)

## 5 Content of the application

On the form, figures in brackets, e.g. (11), denote the information that is to be submitted. Each figure refers to the section in these instructions with the same number.

### 5.1 Date (1)

The application shall be dated.

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<sup>68</sup> In particular, Sections A., B.1, B.2, B.3.1.2, B.3.2.1, B.3.2.4-B.3.2.8, B.4-B.9, B.11-B14, D.1.1, D.1.2.5, D.1.3, D.3.1, D.3.2, D.3.3.3 and D.4.

## 5.2 Applicant

Information shall be provided on the Institution's *name* (2) and the Institution's *address* (3). This information shall refer to the legal entity and not to a branch in Sweden. However, the branch address may also be stated if relevant for the handling of the application.

Information on the *contact person* that the Riksbank is to contact concerning the application shall be provided (4). At a minimum, this information shall consist of name, telephone number and email address.

## 5.3 General information about the application

**Only credit institutions<sup>69</sup> can be Counterparties in FX Transactions.** Please specify therefore the *type of Institution* the applicant is according to the licenses it has in its country of domicile (5).

The applicant's *country of domicile*, i.e. the country in which the legal entity has its registered office, shall be provided (6). If Sweden is not the country of domicile, please specify *how business operations are conducted in Sweden* (7). Tick Branch if operations are conducted as a branch, and tick Other cross-border activities if operations are conducted without a registered office or branch in Sweden. There is no requirement for a Counterparty in FX Transactions to be domiciled or have a branch in Sweden.

Specify the primary authority that exercises *supervision* over the applicant (8). State also the contact person at the supervisory authority (9).

The Riksbank requires information on the applicant's *ownership* (10). Ownership refers to both major direct owners themselves and the major owners of such direct owners. Private individuals who indirectly control the applicant shall be specified. Please state both share of equity and voting rights. State whether the applicant or specified owner/s are listed companies.

## 5.4 Financial information (11)

**A Counterparty in FX Transactions shall fulfil the capital requirements applicable in the country where the Counterparty is domiciled. If the Institution is domiciled outside the EEA, the capital requirement shall be comparable to what applies within the EU.<sup>70</sup>**

**Neither shall the applicant becoming a Counterparty in FX Transactions pose risks to the Monetary Policy Operational Framework or to the Riksbank.<sup>71</sup>**

The Riksbank wishes therefore to understand the applicant's financial position. The applicant shall submit relevant financial information. At least the following information shall be submitted:

- Tier 1 capital

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<sup>69</sup> Credit institution under EU law. Compare Master Document B.3.2.3.

<sup>70</sup> Compare Master Document B.3.2.1 (c).

<sup>71</sup> Compare Master Document B.3.2.8.

- Total capital base
- Total capital requirements
- Total leverage ratio exposure

The information shall relate to the legal entity applying to become a Counterparty in FX Transactions. The information shall hence not refer to the entire group to which the applicant belongs, not to just one branch in Sweden. The information shall be based on the definitions applied by the relevant supervisory authority/legislation.

If the required information is available in a report/reports submitted to a supervisory authority, copies thereof may be submitted as an annex to the application.

## 5.5 Operations

### 5.5.1 Actions on the FX market

For the Riksbank to understand the applicant's operations, the applicant shall describe how it acts on the FX market for Swedish krona (12). Under the Terms and Conditions, a Counterparty in FX Transactions shall, in the judgement of the Riksbank, have a sufficiently large share of the FX market for Swedish krona.<sup>72</sup> The applicant shall therefore describe how much it has traded in Swedish krona over the last twelve-month period, on both the spot market, and on the forward market (13).

## 5.6 Organisation and risk management

**A Counterparty in FX Transactions shall have the operational capacity to act as one.**<sup>73</sup> Among other things, this means having the capacity to act on relevant markets, conclude business with the Riksbank and other parties, and implement transactions. It also means having the appropriately skilled staff, a well-balanced organisation, access to the systems support required and being able to manage the risks entailed by its operations.

Information on the applicant's organisation and risk management are therefore important for the Riksbank to be able to assess whether the requirement has been fulfilled.<sup>74</sup>

The applicant shall provide a general description of its organisation (14). This description shall, inter alia, outline the reporting paths for the various parts of the applicant's organisation affected by the applicant's status as a Counterparty in FX Transactions.

The applicant shall describe, in more detail, the part of its organisation that concludes business concerning FX transactions (15). It shall also describe, in more detail, the part of its organisation that concludes the settlement of these transactions (16). The

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<sup>72</sup> Compare Master Document B.3.2.4

<sup>73</sup> Compare Master Document B.3.2.4.

<sup>74</sup> According to p. (23) in the Application (and these Instructions), the applicant shall also confirm that it has this capacity.



descriptions shall specify which control functions the institution uses to avoid errors, as well as which systems support is used to manage FX transactions.

### 5.6.1 Contact persons

The Riksbank wants the applicant to have a designated person with the overall responsibility for the applicant's role as a Counterparty in FX Transactions (17).

The Riksbank also wants there to be contact persons, both for questions about the entering-into of FX transactions, i.e. "front office aspects" (18), and questions about the implementation/settlement of FX transactions, i.e. "back office aspects" (19).

Information concerning these persons shall include name, telephone number and email address. For the person with overall responsibility, information on their role within the institution's organisation shall be presented.

### 5.6.2 Risk management

Having good risk management is an important aspect as regards having the operational capacity to be a Counterparty in FX Transactions. The applicant shall therefore describe how it manages its risks (20). In addition to providing an overall account of the applicant's risk management organisation, the description shall particularly highlight the management of risks connected to its role as Counterparty in FX Transactions. This applies, not least, to liquidity risks and operational risks.

## 5.7 Confirmations and undertakings

According to the Terms and Conditions, a prerequisite for being accepted as a Counterparty in FX Transactions is that the institution assume a number of undertakings.<sup>75</sup> The applicant shall also certify that it assumes these undertakings and also confirm that it has the operational capacity to act as a Counterparty in FX Transactions.<sup>76</sup> The applicant shall also confirm that it has reviewed the documentation applicable to a Counterparty in FX Transactions and understands what this entails.<sup>77</sup> This certification is done by the applicant, in the application, ticking the boxes for each confirmation or undertaking respectively as shown below.

- *Confirm that it has reviewed the Description of the Riksbank's Monetary Policy Operational Framework and understands how the operational framework works and how monetary policy transactions are used (21).*<sup>78</sup>

It is important for the applicant to understand how the operational framework functions and how monetary policy transactions are used. This is so that the applicant understands the implications of being a Participant in the Monetary Policy Operational Framework and to ensure that it really does possess the operational capacity required to act as a Counterparty in FX Transactions.

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<sup>75</sup> Compare Master Document B.3.2.1 (f) and B.3.2.3 (a)-(b).

<sup>76</sup> Compare Master Document B.3.2.5.

<sup>77</sup> Compare Section D.3 of this document.

<sup>78</sup> Compare Section C.3 of this document.

- *Confirm that it has reviewed the relevant parts of the Terms and Conditions for RIX and Monetary Policy Instruments, including annexes, and that it understands what applies to a Counterparty in FX Transactions (22).*<sup>79</sup>

The requirements imposed on a Counterparty in FX Transactions are laid down in the Terms and Conditions for RIX and Monetary Policy Instruments (Terms and Conditions) as are the Counterparty's rights and obligations. It is therefore important for the applicant to study the Terms and Conditions carefully.

- *Confirm that the applicant has the operational capacity to act as a Counterparty in FX Transactions (23).*<sup>80</sup>

Having the operational capacity to act as Counterparty in FX Transactions means, inter alia, having the capacity to act on relevant markets, conclude business with the Riksbank and other parties, and implement transactions. It also means, inter alia, having the appropriately skilled staff, a well-balanced organisation, access to the systems support required and being able to manage the risks entailed by its operations. This requirement shall be fulfilled on the day the Accession Agreement is concluded.

- *Grant permission for all information concerning the Counterparty that has been provided or will be provided to the Riksbank, as well as information on transactions in RIX, monetary policy transactions and FX transactions, as well as collateral for credits, to be used by the Riksbank in the execution of its tasks and to be shared with the appropriate supervisory or resolution authority within the framework of the Riksbank's cooperation with such authorities. (24).*<sup>81</sup>

The Riksbank may also use information provided to it by the Counterparty as a Counterparty in FX Transactions for other purposes that are compatible with the Sveriges Riksbank Act (1988:1385). The same applies to information about transactions made by the Counterparty in RIX or with the Riksbank. In addition to the Riksbank using this information internally within the Riksbank, the Riksbank may share this information with supervisory and resolution authorities, i.e. Finansinspektionen and the Swedish National Debt Office in Sweden.

- *Undertake to inform the Riksbank, without delay, of changes concerning the Counterparty's ownership, financial position, operations, organisation and risk management of which the Counterparty has previously informed the Riksbank or which may be significant for checking the qualification requirements. (25).*<sup>82</sup>

The information submitted by the applicant to the Riksbank in connection with the application or thereafter is used by the Riksbank for several purposes. One purpose is to determine whether the applicant fulfils the requirements imposed on a Counterparty in FX Transactions. Another is to give the Riksbank information about the applicant and the applicant's operations. It is therefore important that this information is correct over time. This means that if changes occur during the application process, or later once the applicant has become a Counterparty, the applicant shall inform the Riksbank about such changes without delay. Even if the applicant has not submitted information on certain circumstances before, it shall also submit information on changes with regard to

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<sup>79</sup> Compare Section C.3 of this document.

<sup>80</sup> Compare Master Document B.3.2.3.

<sup>81</sup> Compare Master Document B.3.2.1 (d).

<sup>82</sup> Compare Master Document B.3.2.1 (f)(ii).

these circumstances if it may be relevant for the assessment of whether the institution still fulfils the requirements imposed on being a Counterparty in FX Transactions.

- *Undertake to provide the financial information requested by the Riksbank (26).*<sup>83</sup>  
The Riksbank needs to be able to assess the risks a Counterparty in FX Transactions may pose to the Monetary Policy Operational Framework and to the Riksbank. The Riksbank then needs to be able to obtain relevant financial information from its counterparties. The information that the Riksbank may request will be of a nature that the Riksbank expects the Counterparty to already have access to and will not need to produce especially for the Riksbank.

- *Undertake at the request of the Riksbank to meet the Riksbank to discuss its role as Counterparty in FX Transactions and to in other ways take part in the monitoring of Counterparties regularly carried out by the Riksbank and to provide the information requested by the Riksbank (27).*<sup>84</sup>

The Riksbank regularly monitors its Counterparties. This can be done at different time intervals. In connection with such monitoring, the Riksbank may request certain written information from the Counterparty and may also request that the Counterparty confirm certain circumstances. If the Riksbank deems it necessary, the Riksbank may also wish to discuss the role as Counterparty in FX Transactions at a meeting with the Counterparty.

- *Undertake, in accordance with the Riksbank's detailed instructions, to report to the Riksbank the Counterparty's and its group's Turnover in the FX market and which daily currency positions the Counterparty and its group companies hold (28).*<sup>85</sup>

To enable the Riksbank to follow activity on the FX market, Counterparties in FX Transactions shall be prepared to submit information about its own activity on these markets as regards transactions involving Swedish krona. This concerns the Counterparty's turnover broken down into different product and counterparty segments. It also concerns currency positions it has. The Riksbank issues instructions on what is to be reported, how and at what frequency this shall take place.

Annex 1 to these Instructions applies to reporting.

- *Undertake on the interbank market to, on request, quote binding two-way market prices in Swedish krona spot against euro for the equivalent of EUR 5 million and forward against US dollars for the equivalent of USD 10 million (29).*<sup>86</sup>

A Counterparty in FX Transactions shall be active on the FX market and shall therefore be prepared to, on request, quote binding two-way market prices. This applies to for Swedish krona spot against euro, and for Swedish krona forward against US dollars. Prices shall be quoted for EUR 5 million and USD 10 million respectively.

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<sup>83</sup> Compare Master Document B.3.2.1 (f)(iii).

<sup>84</sup> Compare Master Document B.3.2.1 (f)(iv).

<sup>85</sup> Compare Master Document B.3.2.4 (a)(i)

<sup>86</sup> Compare Master Document B.3.2.4 (a)(ii)

- *Undertake to show, via Thomson Reuter or a similar information system, indicative prices in these currencies during normal opening hours in the market (30).*<sup>87</sup>

The Counterparty's activity on the FX market shall also involve it regularly, during market opening hours, quoting indicative prices in Swedish krona against euro and Swedish krona against US dollars in the information system used on the market.

- *Undertake, as soon as practically possible, to inform the Riksbank of important structural changes and development trends on the FX market with regard to Swedish krona (31).*<sup>88</sup>

A well-functioning FX market for Swedish krona is a precondition for an efficient monetary policy transmission mechanism, which in turn is important for the Monetary Policy Operational Framework. It is therefore important for the Riksbank to be aware of developments on the FX market for Swedish krona. The Riksbank shall therefore be informed if the Counterparty becomes aware of changes or development trends.

- *Undertake, as soon as practically possible, to inform the Riksbank of factors that may affect the Swedish FX market in the short term and which the Riksbank cannot be expected to have received knowledge of in some other way (32).*<sup>89</sup>

A well-functioning Swedish FX market for is a precondition for an efficient monetary policy transmission mechanism, which in turn is important for the Monetary Policy Operational Framework. It is therefore important for the Riksbank to be aware of factors that can affect the Swedish FX market in the short term. The Riksbank shall therefore be informed if the Counterparty becomes aware of such factors.

- *Undertake, as soon as practically possible, to inform the Riksbank of important staff changes that have significance for the Riksbank's contacts with the institution, especially with regard to the responsible contact persons (33).*<sup>90</sup>

It is important for the Riksbank to know which persons at the Counterparty are expected to have contact with the Riksbank. This is not least true of responsible contact persons. The Riksbank shall therefore be informed if changes concerning these persons take place.

- *Confirm willingness to conclude an ISDA agreement with the Riksbank (34).*

In order for the Riksbank to be able to carry out all the transactions that a Counterparty in FX Transactions is expected to be able to carry out with the Riksbank, the Riksbank must be able to contractually regulate some of the risks that such transactions may involve. For this reasons, there needs to be ISDA agreements with all Counterparties in FX Transactions.

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<sup>87</sup> Compare Master Document B.3.2.4 (a)(iii)

<sup>88</sup> Compare Master Document B.3.2.4 (b)(i).

<sup>89</sup> Compare Master Document B.3.2.3 (b)(ii).

<sup>90</sup> Compare Master Document B.3.2.3 (b)(iii).

## 5.8 Annexes

Details shall be given about the information provided in separate annexes that complements the Application. Two annexes are compulsory.

- Authorisation document(s) for the signatory(ies) of the Application (35). If someone signs the application as a result of a special power of attorney, both the power of attorney and the authorisation document (e.g. certificate of incorporation) for the power of attorney provider shall be enclosed.
- The applicant's latest annual report (36).

For other annexes, tick the box and state what the annex refers to (row 37 and subsequent rows).

## 5.9 Signature

An authorised representative for the applicant shall sign the application (38). By signing the application, the applicant also confirms that it fulfils the requirements in the Terms and Conditions, that the information in the application is correct, and that the applicant assumes the undertakings listed above.

# **E. General information about applying to become a Counterparty with access to Special Facilities for Central Counterparties**

## **1 The purpose of this section**

The purpose of this section is to describe how to apply to become a Counterparty with access to Special Facilities for Central Counterparties.

## **2 The purpose of the application**

The purpose of the application is to make the Riksbank understand the applicant's activity as a Central Counterparty. The applicant shall also show that the requirements for having access to the Special Deposit Facility and/or the Special Loan Facility are fulfilled.

The information in the application shall show that the applicant with access to the Special Deposit Facility and/or the Special Loan, will not jeopardise the general stability, soundness and security of RIX, nor will restrict the Riksbank's capacity to carry out its tasks, nor pose risks that will preclude the applicant from being a Monetary Policy Counterparty.<sup>91</sup>

The application shall also show that the applicant is aware of the undertakings required to have access to the Special Deposit Facility and/or the Special Loan Facility.

## **3 General information on access to the Special Facilities**

The terms for access are described in:

1. Master Document of the Terms and Conditions for RIX and Monetary Policy Instruments, Chapter B.

In addition to the Master Document of the Terms and Conditions the following documents contain information that may be important be applying to become a Counterparty with access to Special Facilities for Central Counterparties:

2. Annex H1 to the Terms and Conditions for RIX and Monetary Policy Instruments — Definitions and Abbreviations

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<sup>91</sup> Master Document B.3.2.8.

3. Annex H2 to the Terms and Conditions for RIX and Monetary Policy Instruments — Accession Agreement
4. Annex H4 to the Terms and Conditions and Monetary Policy Instruments — Collateral instructions<sup>92</sup>
5. Account Terms for RIX<sup>93</sup>

The applicant shall have reviewed the Terms and Conditions and associated annexes and be aware of what is required of a Counterparty with access to Special Facilities for Central Counterparties. This shall be confirmed on the application form, point 14.

Only a Central Counterparty that is a RIX-RTGS Participant can send in an application.

## 4 Application

The application shall be made on form H9.E (a Word form, in which the applicant ticks boxes and enters unlimited text. Complementary information can be submitted in annexes that must be listed on the form. The application shall be submitted both as a signed paper copy, and electronically. Annexes may be submitted in electronic form only.

The application shall be sent:

By post to: Riksbanken  
Avdelningen för marknader  
Enheten för marknadsstrategi  
103 33 Stockholm

Electronically to:  
[afm.enheten.for.marknadsstrategi@riksbank.se](mailto:afm.enheten.for.marknadsstrategi@riksbank.se)

## 5 Content of the application

On the form, figures in brackets, e.g. (11), denote the information that is to be submitted. Each figure refers to the section in these instructions with the same number.

### 5.1 Date (1)

The application shall be dated.

### 5.2 The facilities that the application refers to (2)

The application can refer to one of the facilities or both.

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<sup>92</sup> Especially Section 3.2.2.

<sup>93</sup> Especially Sections 3 och 4.

## 5.3 Applicant

Information shall be provided on the Institution's *name* (3) and the Institution's *address* (4). This information shall refer to the legal entity and not to a branch in Sweden. However, the branch address may also be stated if relevant for the handling of the application.

Information on the *contact person* that the Riksbank is to contact concerning the application shall be provided (5). At a minimum, this information shall consist of name, telephone number and email address.

### 5.3.1 General information about the applicant

**Only a Central Counterparty can have access to the Special Deposit Facility and the Special Loan Facility.** Please specify therefore the licences the licenses it has in its country of domicile (6)<sup>94</sup>.

The applicant's *country of domicile*, i.e. the country in which the legal entity has its registered office, shall be provided (7).

Specify the primary authority that exercises *supervision* over the applicant (8). State also the contact person at the supervisory authority (8). State also the contact person at the supervisory authority (9).

### 5.3.2 Participation in RIX

**A Central Counterparty must be a participant in RIX and must as such be certified for RIX-RTGS in order to have access to the facilities.**<sup>95</sup>

The applicant shall confirm that it is participating in RIX-RTGS (10) and for how long it has been a Participant (11). If the applicant applies for having access to the Special Loan Facility, the applicant needs to have established a collateral arrangement with the Riksbank. This means that there should be a securities account pledged to the Riksbank. The applicant shall confirm whether such collateral arrangement exists (12).

### 5.3.3 Financial and business information (13)

**A Central Counterparty shall clear in Swedish Krona in order to have access to the facilities.**<sup>96</sup> \*There should be no risks for RIX or the Riksbank from the applicant getting access to the facilities.<sup>97</sup>

The Riksbank wishes therefore to understand the applicant's financial position. The applicant shall submit relevant financial information. At least the following information shall be submitted:

- (1) Information on the type of instruments in Swedish Krona that are cleared

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<sup>94</sup> Relevant *Licenses* should be included as an annex(23).

<sup>95</sup> Master Document B.3.1.4.

<sup>96</sup> Master Document B.3.1.4.

<sup>97</sup> Master Document B.3.2.8.



- (2) Information on exposures in Swedish Krona, both credit and liquidity risk, including
  - a. margin required in order to cover the credit risk stemming from cleared instruments in Swedish Krona and
  - b. the liquidity risk created if participants, against whom the applicant has the largest exposures in Swedish Krona default.
- (3) Information on liquidity buffer in Swedish Krona
- (4) Information on liquidity policy
- (5) Information on liquidity arrangements in Swedish Krona
- (6) Information on the value of transactions in Swedish Krona that has been settled during the last twelve month period with information on the highest value for a single day
- (7) Information on notional amounts for instruments in Swedish Krona being cleared
- (8) Information on the total outstanding notional amount of cleared instruments in Swedish Krona
- (9) Information on what collateral in Swedish Krona that are accepted

The information shall relate to the legal entity applying to become a Counterparty with access to Special Facilities for Central Counterparty. The information shall be based on the definitions applied by the relevant supervisory authority/legislation.

If the required information is available in a report/reports submitted to a supervisory authority, copies thereof may be submitted as an annex to the application..

### 5.3.4 Contact person for the facilities

The Riksbank needs to know who is the relevant contact person with regard to the facilities. Please state name, telephone and e-mail address (14).

## 5.4 Confirmations and undertakings

According to the Terms and Conditions, a prerequisite for having access to the facilities is that the institution assume a number of undertakings.<sup>98</sup> The applicant shall therefore certify that it assumes these undertakings. The applicant shall also confirm that it has reviewed the documentation applicable Special Deposit Facility and Special Loan Facility and understands what this entails.<sup>99</sup> This certification is done by the applicant in the application form, ticking the boxes for each confirmation or undertaking respectively as shown below.

The undertakings stated below applies in addition to the undertaking as a RIX participant.

- *Confirm that it has reviewed the relevant parts of the Terms and Conditions for RIX and Monetary Policy Instruments and Account Terms for RIX, and*

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<sup>98</sup> Master Document B.3.2.5.

<sup>99</sup> Compare Section E.3 in this document.

*understands what applies for Special Deposit Facility and Special Loan Facility (15).*<sup>100</sup>

The requirements imposed on a Counterparty with access to Special Facilities are laid out in the Terms and Conditions for RIX and Monetary Policy Instruments (the Terms and Conditions). The terms for the facilities are laid out in the Account Terms for RIX. It is therefore important for the applicant to study the Terms and Conditions and Account Terms for RIX carefully

- *Undertake, as soon as practically possible, to inform the Riksbank, of notable structural changes and trends in the Swedish markets where the Central Counterparty is active (16).*<sup>101</sup>

Well-functioning financial markets are a precondition for an efficient monetary policy transmission mechanism, which in turn is important for the Monetary Policy Operational Framework. It is therefore important for the Riksbank to be aware of developments on these markets. The Riksbank shall therefore be informed if the Central Counterparty becomes aware of changes or development trends.

- *Undertake, as soon as practically possible, to inform the Riksbank on factors that according to the opinion of the Central Counterparty could affect the Swedish money market in the short term and that the Riksbank cannot be assumed to have received information about in any other way (17).*<sup>102</sup>

Well-functioning money market is a precondition for an efficient monetary policy transmission mechanism, which in turn is important for the Monetary Policy Operational Framework. It is therefore important for the Riksbank to be aware of factors that can affect the money and bond markets in the short term. The Riksbank shall therefore be informed if the Central Counterparty becomes aware of such factors.

- *Undertake, as soon as practically possible, to inform the Riksbank if the Central Counterparty suspects or knows of anomalies in the trading in the Swedish money market (18).*<sup>103</sup>

Well-functioning money and bond markets are a precondition for an efficient monetary policy transmission mechanism, which in turn is important for the Monetary Policy Operational Framework. Market anomalies can jeopardise the efficiency of the Monetary Policy Operational Framework. The Central Counterparty can add complementary information in addition to that provided by the Monetary Policy Counterparties. The Riksbank shall therefore be informed of such anomalies. However, information submitted to the Riksbank does not replace any reporting obligations that may exist in relation to other authorities.

- *Undertake, as soon as possible, to inform the Riksbank, of notable staff changes that have significance for the Riksbank's contacts with the Central Counterparty,*

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<sup>100</sup>Compare Section E.3 in this document.

<sup>101</sup>Compare Master Document B.3.2.5.(a)(1)

<sup>102</sup>Compare Master Document B.3.2.5.(a)(2).

<sup>102</sup>Compare Master Document B.3.2.5.(a)(2).

<sup>103</sup>Compare Master Document B.3.2.5.(a)(3).

*particularly with regard to the responsible contact person (19).*<sup>104</sup>

It is important for the Riksbank to know which persons at the Counterparty are expected to have contact with the Riksbank. This is not least true of responsible contact persons. The Riksbank shall therefore be informed if changes concerning these persons take place.

- *Undertake at the request of the Riksbank to provide information on its total liquidity structure in Swedish krona and other information that may be necessary for the Riksbank to carry out its tasks (20).*<sup>105</sup>

The Riksbank needs to be able to assess the risks a Counterparty with access to Special Facilities for Central Counterparties may pose to the Monetary Policy Operational Framework and to the Riksbank. One such risk concerns the fact that such Counterparty is given access to significant credit opportunities at the Riksbank. Not least as a potential lender, the Riksbank then needs to be able to obtain relevant financial information from its Counterparties. The information that the Riksbank may request will be of a nature that the Riksbank expects the Counterparty to already have access to and will not need to produce especially for the Riksbank.

- *Undertake, in accordance with the Riksbank's detailed instructions, to report to the Riksbank information on transactions on the money market (21).*<sup>106</sup>

To allow the Riksbank to follow activities on the money and bond markets, the Monetary Policy Counterparties submit information about *inter alia* their own transactions on the money market. Similar information from Central Counterparties improves the Riksbank's knowledge about the money market. The Riksbank issues instructions on what is to be reported, how and at what frequency this shall take place.<sup>107</sup> Initially the reporting is annual, but if this annual reporting shows a more active role on relevant markets, the Riksbank can ask for a daily reporting.

## 5.5 Annexes

Details shall be given about the information provided in separate annexes that complements the Application. Two annexes are compulsory.

- Authorisation document(s) for the signatory(ies) of the Application (22). If someone signs the application as a result of a special power of attorney, both the power of attorney and the authorisation document (e.g. certificate of incorporation) for the power of attorney provider shall be enclosed.
- Licence(s) as Central Counterparty (23).

For other annexes, tick the box and state what the annex refers to (row 24 and subsequent rows).

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<sup>104</sup> Compare Master Document B.3.2.5.(a)(4).

<sup>105</sup> Compare Master Document B.3.2.5.(b) och B.3.2.1.(g)(iii).

<sup>106</sup> Compare Master Document B.3.2.5.(c).

<sup>107</sup> Compare [For reporting agencies | Sveriges Riksbank](#)

## 5.6 Signature

An authorised representative for the applicant shall sign the application (25). By signing the application, the applicant also confirms that it fulfils the requirements in the Terms and Conditions, that the information in the application is correct, and that the applicant assumes the undertakings listed above.

## **F. The Riksbank's assessment of applications**

### **1 The purpose of this section**

The purpose of this section is to give an overall description of how the Riksbank assesses applications.

### **2 Principles for assessing applications**

The Riksbank's assessment of applications to be accepted as a Counterparty shall, in accordance with the Terms and Conditions, conform to the principles on:

- a. *free access*, which means that any party that fulfils the requirements for Counterparties according to the Terms and Conditions shall be accepted as a Counterparty; and
- b. *neutrality*, which means that the Terms and Conditions shall be applied uniformly to all applicants/institutions.

These principles are based on underlying EC legal directives and serve as guidelines for the Riksbank's assessment.

### **3 Investigation in connection with the assessment of applications**

The Riksbank has the right, at the applicant institution's expense, to undertake or request any investigations the Riksbank finds necessary for it to judge whether the applicant meets the requirements according to the Terms and Conditions.

#### **3.1 Training**

When applying to participate in RIX, at least three persons from the applicant shall undergo theoretical and practical training in the settlement service for which the applicant is to be certified. However, the Riksbank recommends that all of the applicant's staff who will work in the settlement service should undergo this training. The training is organised by the Riksbank.

#### **3.2 Tests**

The Riksbank's assessment of the applicant's suitability for participation in RIX includes obligatory technical and operational tests. A precondition for participating in each settlement service respectively is that all tests have a satisfactory result.

### 3.3 Costs

According to point B.4.2.2 of the Terms and Conditions, the applicant shall pay the costs connected with the Riksbank's investigation.

**RIX Participants** shall pay a special entry charge to the Riksbank for the settlement service(s) for which the applicant is certified, in addition to the costs connected with the investigation and the charges stated in point C.5.1 of the Terms and Conditions. The entry fee shall be paid no later than in connection with the applicant becoming certified. The entry charge and other charges for participation in RIX are shown in the price-list available on the Riksbank website; [www.riksbank.se](http://www.riksbank.se).

## 4 Signing of Accession Agreements, etc.

Following the completion of a successful assessment, the applicant shall sign an Accession Agreement with the Riksbank. The Accession Agreement is enclosed as Appendix H2 to the Terms and Conditions. By signing the Accession Agreement, the institution becomes a Counterparty in the way specified in the agreement and receives the rights and obligations towards the Riksbank ensuing from the Terms and Conditions.

A precondition for obtaining credit from the Riksbank is that the institution pledges satisfactory collateral. (However, state authorities are exempted from the collateral requirement (see Section B.5(c) of the Terms and Conditions). Institutions wishing to obtain credit must therefore, in connection with the signing of the Accession Agreement, sign a Grant of Pledge to the Riksbank.

In addition to the above agreements to be signed with the Riksbank, it may be necessary for the institution to also sign agreements with other parties. The Riksbank's assessment is that the practical scope for utilising RIX may be limited unless agreements are signed with other Participants in the system.

# Annex 1

## Reporting from Monetary Policy Counterparties and Counterparties in FX Transactions

### 1 The Counterparties' obligation to report

Under Section B.3.2.3 (b) Monetary Policy Counterparties and Section B.3.2.4 (a) (i) Counterparties in Foreign Exchange (FX) Transactions in the Master Document, it is incumbent on counterparties to submit certain reports to the Riksbank in accordance with the Riksbank's more detailed instructions. Certain overall conditions for this reporting are stated in this annex. The Riksbank's more detailed instructions regarding the content and frequency, etc. of the reports are published on the Riksbank website [www.riksbank.se/](http://www.riksbank.se/)

### 2 Technical requirements, etc.

The Counterparty shall follow the technical instructions published on the Riksbank website [www.riskbank.se](http://www.riskbank.se)

### 3 Responsible person

- 3.1 The Counterparty shall appoint a person who is responsible for reporting. The Counterparty shall inform the Riksbank of the name, postal address, email address and telephone number of the responsible person. If the responsible person or contact details for the responsible person change, the Counterparty shall notify the Riksbank about the applicable information.
- 3.2 The Counterparty is responsible for ensuring that the responsible person has sufficient competence for their task.