

PRESS RELEASE



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The reference rate SWESTR can be used from 2 September

The Riksbank's transaction-based reference rate SWESTR can be used in financial contracts as of 2 September 2021. SWESTR can thereby replace STIBOR, on the shortest maturity, as the reference rate in financial contracts. On 1 October 2021, the Riksbank will also begin to publish the average rates and index for SWESTR. Market participants should, in the near term, transition to using SWESTR.

It is important that reference rates used in the pricing of financial contracts in Sweden are based on actual transactions. SWESTR is part of the global reform of reference rates, which aims to reduce financial markets' dependence on traditional reference rates, such as STIBOR, in financial contracts. In order to safeguard confidence in reference rates in Swedish kronor, the Riksbank considers that, in the near term, market participants should switch to using the transaction-based SWESTR instead of STIBOR at its shortest maturity.

The Riksbank's transaction-based reference rate SWESTR will be available for use in financial contracts, starting with the rate published on 2 September 2021 (with value date 1 September 2021). The rates will be available on the Riksbank's website. The current test period will conclude at the end of August.

Average rates from 1 October 2021

The Riksbank will also start publishing compounded average rates and an index based on SWESTR as of 1 October 2021. In line with international practice, the average rates for SWESTR are intended to be used in a so-called fall-back solution for STIBOR. This means that they may form the basis for an alternative interest rate to be used in the event that STIBOR were to cease to be published or become unavailable during the term of the contract. Average rates for SWESTR can also facilitate and promote the use of SWESTR as a basis for the calculation of interest rates in new financial contracts.



The calculation method for the average interest rates and index is in line with the proposal that the Riksbank sent for consultation in spring 2021, but there has been an adjustment to the terminology used for the management of non-banking days. The starting date for the index will be 1 September 2021. On 1 October 2021, notes will also be published retroactively for the period from 1 September 2021.

The calculation method for SWESTR is being adjusted slightly

The Riksbank has adjusted the calculation method for SWESTR on the basis of experience gained during the test period and the comments made in connection with the consultation process in autumn 2020. This change entails the removal of counterparty categories from the calculation so that the transaction dataset for SWESTR is trimmed for the entire combined dataset. This adjustment is not expected to have a systematic effect on the level of SWESTR. The new method is applied from the rate published on 2 July 2021 (value date 1 July 2021). The Riksbank will publish recalculated values for SWESTR from the test period in the first half of 2021.

The advisory group has been given its Terms of Reference

As previously announced, the Riksbank has created an advisory group for SWESTR, consisting of market participants who are potential users of SWESTR, are active in its underlying market or are otherwise relevant to SWESTR. Today, the Riksbank has published the group's Terms of Reference. The Riksbank has also produced a document that collects relevant information about SWESTR as a financial benchmark.