

PRESS RELEASE



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SWESTR can be used as the reference rate for financial contracts from 2 September

As of 2 September 2021, the Riksbank's transaction-based reference rate, SWESTR, can be used in financial contracts. The test period for SWESTR has thus ended. On Thursday 2 September at 11.00, a digital press conference will be held with Deputy Governor Martin Flodén on why the Riksbank advocates the use of SWESTR.

On Thursday 2 September at 11.00, the Riksbank will publish the first official value for the transaction-based reference rate, SWESTR. This means that financial markets can now start using SWESTR as the reference rate in financial contracts. SWESTR is based entirely on reported transaction data, refers to the shortest maturity, overnight, in Swedish kronor and is published on riksbank.se.

The Riksbank considers that market participants in the near future should switch to referring to SWESTR in Swedish kronor instead of the existing reference rate, STIBOR T/N, which has a similar maturity.

Reference rates fulfil a basic function in the financial system. International reform of reference rates has been in progress for many years. A key element of this work is the development of transaction-based reference rates that can complement or replace existing bid-based reference rates.

The Riksbank will in the future also provide compounded average rates and an index based on SWESTR. These can be used to simplify the management of new financial instruments that refer to SWESTR, and they can be part of a fallback rate for STIBOR for use in existing contracts. Compounded average rates and indices will be provided gradually from 1 October 2021.



Further information on SWESTR can be found at www.riksbank.se. A digital press conference with Deputy Governor Martin Flodén and Ingrid Wallin Johansson, Project Manager, will be held on Thursday at 11.00. The press conference will be broadcast live on riksbank.se. Preregistered journalists will be able to ask questions via Zoom. Press cards or similar are required. For registration, contact the Press Office by telephone on +46 (0)8-787 0200 or by email at susanne.meyer@riksbank.se no later than 10.00 on 2 September.

Background

In light of the global financial crisis that broke out in 2008 and the manipulation of the LIBOR reference rate uncovered in 2012, confidence in traditional reference rates was damaged. This has given rise to comprehensive international work to develop alternative, transaction-based reference rates. Transaction-based reference rates are based on actual transactions, unlike traditional reference rates, which are based on banks' bids or assessments of the interest rate, rather than the interest rate for implemented transactions.

The Swedish Financial Supervisory Authority is the supervisory authority for the existing reference rate, STIBOR, and determines STIBOR's future.