

GENERAL TERMS AND CONDITIONS FOR THE RIKSBANK'S PURCHASES OF CORPORATE BONDS VIA BILATERAL PURCHASE PROCEDURE 2020:1



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These general terms and conditions ("General terms") apply with effect from 9 September 2020 to the Riksbank's purchases of corporate bonds through bilateral purchase procedures.

1 Definitions

"Registration"	The procedure by which counterparties register their interest in taking part in the bilateral purchase procedure, Annex 1.
"Banking day"	Monday to Friday that is not a holiday in Sweden, except Midsummer Eve, Christmas Eve and New Years Eve.
"Bond"	Non-subordinated bonds issued in Swedish krona by Swedish non-financial corporations domiciled in Sweden with remaining maturity of up to five years and with a credit rating no lower than the lowest acceptable rating equivalent to Baa3/BBB- (this applies to both the bonds and the issuing companies) – and on the purchase date there shall be no indications that any of these credit ratings may fall below the lowest acceptable credit rating level.
"Purchase date"	Inception date for the Riksbank's purchase of the Bonds.
"Delivery and payment date"	Normally two banking days after the Purchase date.
"Counterparties"	Counterparties accepted by the Riksbank in accordance with point 4 below.
"Monetary Policy Counterparties"	Counterparties covered by the definition Monetary Policy Counterparties in the Riksbank's

Terms and Conditions for RIX and Monetary Policy Instruments.

2 Method of purchase

Purchase will be made through bilateral purchase procedure pursuant to Section D.3 of the Riksbank's Terms and conditions for RIX and monetary policy instruments.

3 Counterparties

Only those who, at the time of the Riksbank's purchase of Bonds, are Monetary Policy Counterparties and from whom the Riksbank has received a complete Registration are eligible to make a bid in the Riksbank's Bonds Purchase. Counterparties must meet the requirements for Monetary Policy Counterparties on both the date of the Registration and the Purchase date. The Riksbank reserves the right to depart from the requirements in this section.

Registration and the information provided in the Registration apply for, and are binding for, the Counterparty for all ensuing Bilateral purchase procedures in which the Counterparty participates.

The Counterparty is obliged to ensure that the person representing the Counterparty is authorised to do so and has the authority to represent the Counterparty in purchases of Bonds through bilateral purchase procedure.

4 Delivery and payment

On the Delivery and payment date, the delivery of the purchases of Bonds will be made by the Counterparty, and payment for the purchase will be made by the Riksbank. This will occur in accordance with the information provided by the Counterparty in the Registration. The payment will be calculated in accordance with Swedish market practice.

For all Bonds, the following applies:

The Counterparty is obliged to ensure that the Bonds delivered to the Riksbank by the Counterparty have not been obtained from the issuer solely to fulfil the delivery to the Riksbank. Delivery may not consist of Bonds where the Counterparty has purchased the Bond from the issuer later than thirty days prior the Purchase date.

If the purchase refers to Bonds issued by public-sector companies in accordance with the definition in Article 8 of Council Regulation (EC) No. 3603/93 of 13 December 1993, the following applies:

The Counterparty is obliged to ensure that the Bonds delivered to the Riksbank have not been obtained from the issuer to fulfil the delivery to the Riksbank.

5 Sanctions and other information about the terms

If a party is not able to meet its delivery or payment obligations or other obligation described in Point 4 above, that party shall compensate the other party for any damage, loss, claim, costs and expenditure the other party has suffered as a result of this failure.

If a Counterparty sells Bonds to the Riksbank that on the Purchase date did not fulfil the requirements in the General terms, the Riksbank has the right to cancel the Purchase of these Bonds within two weeks of the Delivery and payment date.

The Riksbank also has the right to cancel the Purchase regarding a particular Bond the Counterparty has sold if – no later than on the Purchase date – an application for bankruptcy or corporate reconstruction has been submitted against the issuer, the issuer has suspended their payments, trade in the Bonds has been stopped or there are another similar reasonable grounds giving the Riksbank the right to cancel the purchase. Such cancellation may occur no later than three days after the delivery of the Bond.

Unless otherwise expressed in the General terms, the Riksbank's Terms and Conditions for RIX and Monetary Policy Instruments will apply as appropriate. If any of the terms and conditions in the General terms is incompatible with the Riksbank's Terms and Conditions for RIX and Monetary Policy Instruments, the General terms will take priority.

The General terms apply until further notice or until otherwise is notified by the Riksbank. The Riksbank reserves the right to make amendments to the General terms. Any such amendments will be notified to the Counterparties no later than 15.00 on the day before the relevant Purchase date and will take immediate effect as of the time the Riksbank gives such notice.

Stockholm, 9 September 2020