

Regulation



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DECISION BY: Executive Board
RESPONSIBLE DEPARTMENT: Markets Department (AFM)
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Regulations for the Riksbank's monetary policy liquidity management

1. Purpose

This regulation states the focus of the monetary policy liquidity management covered by the Riksbank's Policy for the Operational Framework for the Implementation of Monetary Policy and the Terms and Conditions for RIX and Monetary Policy Instruments (the Terms and Conditions).

2. Monetary policy liquidity management

The Riksbank's monetary policy liquidity is managed via market operations and standing facilities with the aim of stabilising the overnight rate on the market sufficiently close to the Riksbank's policy rate - the repo rate. Given that the liquidity surplus in the banking system persists, the Riksbank shall withdraw liquidity through the issue of Riksbank Certificates and the receipt of deposits in the standing deposit facility. The Head of the Markets Department (AFM) or the deputy appointed by them shall decide on the more detailed terms for Riksbank Certificates. These decisions shall be made within the scope of the Executive Board's decision on 10 October 2008 (reference number 2008-793-AFS). The Markets Department shall also determine the issue volumes of Riksbank Certificates and thereby set an upper limit on the proportion of the liquidity surplus in the banking system that can be invested in Riksbank Certificates. The Executive Board shall be kept informed of the issue volumes decided for Riksbank Certificates.

Riksbank Certificates shall be covered by a unilateral right for monetary policy counterparties with the right to the standing facilities to sell back the Certificate to the Riksbank prior to its maturity. There will be a charge for such a resale. It is the



responsibility of the Head of the Markets Department to determine the more detailed terms for Riksbank Certificates.

3. Other information

In the Executive Board decision of 10 October 2008 on issuing Riksbank Certificates (dnr 2008-793-AFS), all references to the Monetary Policy Department (APP) shall be references to the Markets Department and references to the Asset Management Department (KAP) shall no longer be applicable.