CODE OF ETHICS

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# Code of Ethics

## Content and purpose

This code aims to guide the Riksbank's employees on ethical issues and to clarify how they should act to safeguard public confidence in the Riksbank.

Among other things, it covers

- publicity, confidentiality and the ban on taking instructions
- the circumstances and conditions that commonly disqualify an employee or can constitute another conflict of interest
- secondary occupations and the circumstances under which a secondary occupation constitutes a breach of confidence
- inside information and insider offences
- the Riksbank's recommendations on how employees should manage their own securities trading and loans, including renegotiation of interest rates
- provisions on the obligation to report holdings of financial instruments
- gifts and bribes

## Target group

The code is addressed to all the Riksbank's employees. The term "employee" refers to all employees and contractors who have access to a Riksbank computer and to the Riksbank's systems and who participate in the Riksbank's day-to-day operations.

The section on secondary occupations applies only to employees at the Riksbank and not to contractors.

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# 1 Introduction

The Riksbank's Code of Ethics deals with the legal provisions and principles that are central to the Riksbank's employees in their role as civil servants[1].

It is important that the Riksbank maintains public trust. Every employee of the Riksbank is expected to carry out their work with their own integrity and that of others in mind, and to be able to manage situations requiring good judgement, common sense and a strong sense of what is right and wrong. It is therefore part of the professional role to consider how your behaviour may be perceived by others. This means that employees are expected to keep a clear distance to what is not allowed and to realise that some things are not appropriate, even if not expressly prohibited by law. Nor shall an employee act in such a way as to challenge his or her objectivity and impartiality and to discredit trust in the authority.

Any employee who has questions about the Code, or finds any areas unclear may contact the Legal Secretariat for clarification.

# 2 Publicity, confidentiality and the ban on instructions

## 2.1 Public access to information and confidentiality

The principle of public access to official documents enables the general public and the media to gain insight into the Riksbank's activities. This is done, among other things, through the right to access public documents. [2]

[1] In this Code, the term "civil servant" refers to all employees and contractors who have access to a Riksbank computer and to the Riksbank's systems and who participate in the Riksbank's day-to-day operations.
[2] Public Access to Information and Secrecy Act (2009:400).

At the same time, a lot of information in the Riksbank's activities is covered by confidentiality. A person who reveals or unlawfully makes use of confidential information can be convicted of breach of professional secrecy.[3] Confidentiality applies not only to outsiders but also internally within the Riksbank. This means that confidential information must not be revealed to/shared with other employees who do not need it in their work. Confidentiality must also be taken into account, for example, when outsourcing activities and using AI. The obligation of confidentiality applies not only during the period of employment or assignment, but also after the termination of employment or the assignment at the Riksbank.

All employees must be aware of what applies to the information that they handle, that is, whether it is public or protected by confidentiality. If you are unsure, talk to your line manager.

Despite the obligation of confidentiality, employees have the right to disclose certain confidential information *orally* for publication in printed media, radio and television, for example, under the so-called freedom of communication principle. However, freedom of communication does not cover all confidential information.[4] Please also note that freedom of communication does not allow confidential documents to be provided *in writing*, for example, e-mails and memorandums.

## 2.2 The ban on instructions

The purpose of the so-called ban on instructions is to protect the central bank from political pressure to enable the bank to work effectively towards the defined objectives of its activities.

No public authority may determine how the Riksbank shall decide in matters for which it is responsible.[5] These questions are:

1. defining and implementing monetary policy,
2. perform foreign exchange interventions,
3. holding and managing the foreign reserves,
4. promoting a well-functioning payment system, and
5. performing other basic tasks arising from specific legislation.[6]

Neither may the Riksbank seek or take instructions from anyone within these areas of responsibility.[7]

[3] Chapter 20, Section 3 of the Swedish Penal Code.

[4] The exceptions to freedom of communication are set out in the Freedom of the Press Act, the Fundamental Law on Freedom of Expression and the Public Access to Information and Secrecy Act.

[5] Chapter 9, Sections 13 and 15 of the Instrument of Government.

[6] At present, basic tasks refer to the collection of statistics required under Article 5 of the Statute of the ESCB and specific legislation refers to the Sveriges Riksbank Act, see Chapter 1, Section 10 of the Sveriges Riksbank Act.

[7] The provisions of the Instrument of Government correspond to the ban on instructions in Article 130 of the Treaty on the Functioning of the European Union (TFEU).

This means that in their work, employees shall neither request nor receive instructions from any government, public authority, organisation or person outside the Riksbank. Employees shall also inform their line manager of any improper attempts by outsiders to influence the Riksbank in its activities.

# 3 Disqualification and other conflicts of interest

The Administrative Procedure Act contains provisions on disqualification and conflict of interest[8]. The rules aim to avoid situations where the objectivity of a representative of a public authority could be questioned, but also to maintain public trust in the organisation.

## 3.1 What is disqualification and when does it occur?

The provisions on disqualification apply to dealing with cases (both preparation and final handling). The Administrative Procedure Act states what causes a person to be disqualified. The provisions mean that if an employee can be assumed to be affected by the Riksbank's decision to a non-negligible extent, or if there is any other special circumstance that might cause his or her impartiality in the matter to be questioned, he or she is considered to be disqualified.

**Examples of conflict of interest situations**

- An employee who is themselves a party to, or is a relative or close friend of a party to a case, for example a recruitment case.
- An employee who owns a more significant share in a company that is a party to a case handled by the Riksbank.
- An employee who has participated in an inquiry that has resulted in a report that the Riksbank is to prepare in a consultation response.
- An employee who owns shares in a company that has submitted a tender to the Riksbank as part of a public procurement. The same applies if an employee has a personal relationship with the company or the person who submitted the tender.

## 3.2 Who can be disqualified?

- Decision makers
- The person involved in the final handling of the case without taking part in the decision, such as the rapporteur, the head of the department or division concerned or a specially-appointed adviser.

[8] Section 16 of the Administrative Procedure Act (2017:900).

- Anyone who prepares a case without being involved in the final handling, for example, someone who prepares a proposal for a decision on a case but is not involved in the decision, or experts who are called in on a case and who may influence the decision.

Normally, administrative staff are not disqualified, for instance, people who only handle the registration, printing, dispatch or other tasks that are not likely to affect the decision in the matter.

## 3.3 What does disqualification entail?

A person who is disqualified may not take part in the proceedings (neither in the preparation nor the finalisation of the case) or be present when the case is decided.

## 3.4 Conflicts of interest

In the work of a public authority, situations may sometimes arise that are not unambiguous and easy to judge from a disqualification point of view. There may be 'grey areas', i.e. relationships or ties (conflicts of interest) between an employee and another party, where circumstances may be such that the credibility of the authority could be damaged, even if it is not a matter of a disqualification as defined in the Administrative Procedure Act.

A person who has a conflict of interest may, for precautionary reasons, have to refrain from taking part in the handling of a case or being present at the time of the decision, if this is justified to deal with the risk of possible damage to confidence. An employee should be aware of whether he or she may find themselves in a disqualification situation or conflict of interest when, for example, he or she has applied for a job with one of the Riksbank's counterparties.

## 3.5 Reporting of disqualification and other conflicts of interest

An employee should themselves inform their line manager if there is any circumstance that might disqualify them. An employee should also check with their line manager if there is any circumstance that may constitute another conflict of interest, and if the employee is unsure how to deal with it.

When it is difficult to determine whether it is a matter of disqualification or other conflict of interest, the Legal Secretariat can give advice. In borderline cases, a precautionary principle should be applied.

If an employee has reported a possible conflict of interest to his or her line manager, the latter must decide whether the person may continue to deal with the case in

question, or whether the employee should change tasks. An official note should also be made in this case.

# 4 Secondary occupations

Provisions regarding secondary occupations are laid down in the Public Employment Act[9] and in the national collective agreements. The concept of secondary occupation is not defined in law or in agreements, instead the content of the term has been developed through case law. Secondary occupation refers to any occupation, whether temporary or permanent, that an employee carries out alongside their employment and is not attributable to private life. It is not important whether the occupation is carried out in the form of employment elsewhere, or as an assignment or self-employment, and nor is it important whether or not you receive financial remuneration.

It is prohibited by law to hold a secondary occupation if this can be considered to be harmful to confidence in the Riksbank. It is also prohibited under the collective agreement to hold secondary occupations that compete with or interfere with your ordinary duties.

## 4.1 What are secondary occupations that can damage confidence?

Special requirements of objectivity and integrity are made of those working in public service. It is therefore prohibited for employees to have secondary occupations that are harmful to confidence in the Riksbank.[10] This means that an employee may not have any occupation or assignment or exercise other business that could damage confidence in his/her or another employee's impartiality in public service, or that could damage the reputation of the Riksbank. The prohibition on activities that damage confidence also applies to leave of absence.

For a secondary occupation to be considered damaging to confidence, the employee does not need to act or intend to act improperly. It is sufficient reason if there is a risk that the general public might question the objectivity of the Riksbank's operations or the impartiality of the employee or the employee's colleagues.

It is not possible to specify unequivocally which secondary occupations are prohibited. An overall assessment of the relevant circumstances needs to be made in each individual case, which also means that the following examples of what may be unauthorised do not necessarily apply to all employees. Significant to the assessment are, among other things, the possible points of contact between the Riksbank's activities and the employee's secondary occupation. The employee's tasks at the

[9] Sections 7 – 7 d of the Public Employment Act (1994:260).

[10] Section 7 of the Public Employment Act.

Riksbank also have a bearing on the assessment. Only a low level of risk is acceptable. In general, the following applies to employees at the Riksbank:

- The more qualified, extensive and well-paid a secondary occupation is, the higher the risk that it damages trust in the Riksbank.
- If the secondary occupation entails tasks similar to those performed by the employee at the Riksbank, or has tangible or concrete points of contact with them, the risk of damage to confidence is higher than if there is no such connection.
- There is a greater risk when the company for which the secondary occupation is carried out has interests that are in some way connected with the Riksbank's operations.

### 4.1.1 Activities of a private nature

The provisions on secondary occupations that damage confidence do not apply to activities which may normally be regarded as part of the employee's private life.

In case law, looking after one's own or a close family member's interests has been established to be part of the employee's private life. This may involve, for example, being on the board of a close family member's company which has no connection with the activities of the Riksbank. It could also involve being on the board of a sports association, as long as the employee does not participate in matters relating to financial decisions (such as decisions or negotiations on interest rates for loans).

Every employee is also free to manage his or her private finances as long as this is not under circumstances that clearly indicate an unacceptable risk of damaged confidence.

### 4.1.2 Generally accepted secondary occupations

Examples of secondary occupations that are not normally considered to be a breach of confidence:

- assignments for another public authority
- non-profit tasks, provided that the employee is not responsible for financial decisions (such as investments or credits) or manages any commercially orientated part of the business
- board assignments in a tenant-owner housing association, provided that the employee does not participate in negotiations and decisions on loans and other credits.

### 4.1.3 Generally prohibited secondary occupations

Examples of secondary occupations that are normally considered to be in breach of confidence:

- board assignments in private companies with financial activities
- treasurer/financial officer of associations when it involves the employee in negotiations and decisions on loans and other credits

- own commercial activities, for example as a consultant with similar tasks to the tasks at the Riksbank.

## 4.2 What are secondary occupations that compete with or hinder work at the Riksbank?

A secondary occupation that does not damage confidence can still be prohibited if it is considered to compete with or hinder the employee's work at the Riksbank. The secondary occupations classed as competing and hindering work are regulated in national collective agreements.

The prohibition on competing secondary occupations means that the employee may not have an employment or assignment with a company or other organisation, be involved in or operate a business within the same field as the activities of the public authority through another person.

Secondary occupations should not hinder or impact their work. It is therefore not permissible to have a secondary occupation which hinders their work at the Riksbank, that is, prevents the employee from doing their job in an acceptable way. This may be because, for example, the secondary occupation means that the employee does not have the energy or time to perform his or her work in an acceptable manner.

## 4.3 Reporting secondary occupations

Secondary occupations shall be reported to the employee's line manager when the employee begins their employment with the Riksbank, or when they take on a secondary occupation, and in that case within four weeks. It is usually sufficient to indicate the nature of the secondary occupation. If necessary, the Riksbank can request additional information. In case of doubt, the manager may consult the Legal Secretariat. Secondary occupations that are of a completely private nature or that are clearly of no significance to confidence in the Riksbank do not need to be reported.

The employee has the right to receive a written decision if the Riksbank considers that a particular secondary occupation is not permissible.

## 4.4 Reimbursements for lectures

Employees at the Riksbank sometimes receive offers to participate as a lecturer or teacher at seminars, courses or conferences, for example, to inform about the Riksbank's activities. The employee should discuss with his/her line manager whether it is appropriate to take on a lecture assignment, in what manner the assignment should take place (during working hours or the employee's own time, that is, as a secondary occupation) and whether a fee should be charged for participation.

#### 4.4.1 If the lecture is given as part of the work at the Riksbank

Normally, a lecture assignment is regarded as something that takes place on duty and where the employee exercises his or her professional competence, without any special fee being charged. However, it may be in the interest of the Riksbank that more extensive tasks, occasionally even those with a commercial element, are carried out while on duty. Any remuneration shall then be paid to the Riksbank. The employee should not normally receive reimbursement for travel and hotel accommodation from the organiser. Instead the Riksbank should bear this cost.

See also section 8 on gifts and bribes in cases where the employee is offered a gift in return for the lecture.

#### 4.4.2 If the lecture is not deemed to be in the interest of the Riksbank

It may also be the case that it is not considered in the interests of the Riksbank for an employee to give such a lecture. In such cases, the preparations and lecture may be made in the employee's spare time (holiday or leave of absence) and a possible fee or other remuneration shall be paid to the employee. The assignment is then to be regarded as a secondary occupation and must be examined in accordance with the rules on secondary occupation, see sections 4.1-4.2.

# 5 Insider information

## 5.1 What is insider information?

According to the EU's Market Abuse Regulation[11], insider information is information of a specific nature which has not been published, which directly or indirectly concerns one or more issuers or one or more financial instruments and which, if published, would be likely to have a material impact on the price of these financial instruments.[12] The Securities Market Act[13] defines financial instruments as transferable securities, money market instruments, units in collective investment undertakings, financial derivative instruments and emission allowances, including those issued through distributed ledger technology. This can be, for example, shares, bonds or funds. A complete list of the financial instruments referred to, and which employees thus need to report to the Riksbank, can be found in section 6.3.

It is usually said that insider information is information that an investor would be likely to use as part of the basis for their investment decisions. An example of insider

[11] Article 7 of the EU Market Abuse Regulation (No 596/2014)

[12] It should be noted that specific definitions apply to commodity derivatives, emission allowances or auctioned products based on such allowances.

[13] Chapter 1, Section 4 of the Securities Market Act (2007:528).

information may be that a company has financial difficulties or that the company is about to appoint new executives, if this information has not been made public.

## 5.2 Insider dealing and breach of confidentiality

It is prohibited to conduct business on behalf of oneself or others in financial instruments if insider information is used in relation to these instruments.[14] It is also prohibited for anyone with access to insider information to advise or solicit another person to conduct business in financial instruments. In these cases, both the person who solicits and the person who actually makes the trade can be punished. Disclosure of insider information is also prohibited, except in cases where such disclosure is carried out as a normal part of the performance of the service, activity or obligation. A person who violates these prohibitions may be convicted in a general court of insider dealing or unauthorised disclosure of insider information.

Information may also be subject to confidentiality under the Public Access to Information and Secrecy Act. Disclosure or unauthorised use of confidential information may constitute a breach of confidentiality (see section 2). In other words, it is not necessary to disclose information to another person for it to be considered an unauthorised use; using confidential information by, for example, buying or selling shares in the company about which an employee has information, also counts as a breach of confidentiality.

# 6 Obligation to report holdings of financial instruments

## 6.1 What does the reporting obligation entail?

According to the Sveriges Riksbank Act (2022:1568), such employees and consultants as determined by the Riksbank shall report to the Riksbank in writing their holdings of financial instruments.[15] The same applies to changes in these holdings. The obligation to report also applies during leave of absence, if the employee still has access to their Riksbank computer and to the Riksbank's IT system.

The purpose of the reporting obligation is primarily to enable the Riksbank to monitor compliance with the prohibition on insider trading, but also to strengthen confidence in the Riksbank and its employees.[16] The reporting also enables the Riksbank to monitor compliance with the prohibition on activities that are damaging to confidence and with the regulations on disqualification and conflicts of interest.

[14] According to the Act (2016:1307) on penalties for market abuse on the securities market.

[15] Chapter 7, Section 22, point two of the Sveriges Riksbank Act.

[16] Government Bill 1997/98:40 pp. 67 and 68.

## 6.2 Who is obliged to report?

The obligation to report applies to all heads of department and heads of division (both permanent and assistant) and to the employees that each head of department decides should report.

The head of department shall assess which of his/her staff members are otherwise subject to the reporting obligation. As a starting point, the head of department should make decisions based on what the employee's role typically entails. In view of the fact that the reporting obligation involves an invasion of privacy and an administrative burden for the employee, the obligation to report may only be imposed on employees if it is necessary in view of the employee's access to insider information. This assessment shall also take into account whether the employee holds a position for which the issue of trust is particularly important, as well as the extent, frequency and type of insider information to which the employee has access.

## 6.3 What shall be reported?

The reporting obligation covers the holding of financial instruments referred to in Chapter 1, Section 4 of the Securities Market Act, that is:

- Shares
- Bonds
- Securities linked to shares or bonds (for example subscription rights)
- All types of funds
- Derivative financial instruments such as options, certificates, warrants, futures, swaps, other derivative contracts relating to securities, exchange rates, interest rates or yields and derivative instruments relating to commodities
- Money market instruments in the form of treasury bills, certificates of deposit, commercial papers and other instruments normally traded on the money market

### 6.3.1 Indirect holdings

The reporting obligation only applies to financial instruments held by employees.[17] This means that financial instruments that are indirectly held by the notifier, for example in the premium pension scheme, occupational pension insurance and private endowment insurance, are not covered. In these cases, the formal owner of the instruments is the government or, for example, an insurance company.

[17] Chapter 7, Section 22, point two of the Sveriges Riksbank Act only states reporting obligation of holdings of financial instruments which are directly at the disposal of the individual. The Riksbank thus lacks legal support to require reporting of indirect holdings of financial instruments.

On the other hand, the reporting obligation covers financial instruments invested in investment savings accounts (ISK) and individual pension savings (IPS), as these forms of savings relate to individually owned assets.

Although the indirect holdings do not need to be notified, employees must still comply with section 5 on inside and confidential information and section 7 on investment recommendations.

If the employee is unsure about what to report, they should contact the Risk Division for advice.

### 6.3.2 Related party holdings

Holdings of financial instruments by other family members shall not be reported.

## 6.4 When and how shall the report be made?

### 6.4.1 General

The report should be made electronically, using the PIA system. Employees who are obliged to report will receive an email with information on how to report in PIA.

A report of existing holdings must be made for the first time no later than four weeks after an employee has been assessed as having a reporting obligation by their head of department. If the employee has no instruments that need to be reported, they should provide information about this. Changes in holdings (e.g. purchase, sale, share split, inheritance, gift and division of property) must also be reported within four weeks.

Reporting holdings bought or sold under discretionary management is done in the same way as if the transactions were carried out by the employee. See also below section 6.4.2 on the reporting of discretionary management of funds.

During April and no later than 1 May each year, employees who are obliged to report must confirm that the reported holdings are correct (annual confirmation). This applies regardless of whether the employee has reported holdings of financial instruments or not.

### 6.4.2 Reporting fund holdings

In the case of regular savings in funds, simplified rules for reporting apply. The report must then be made at the time of the first purchase in each individual fund, where the employee also reports the amount saved regularly and with what frequency (for example, monthly). A report must then be made in the event of changes in the amount or frequency, and if the savings cease or the holding is sold. The employee shall also report the total holdings in all funds annually at the annual confirmation.

If the employee does not have regular savings in funds but makes investments on a more regular basis and in different funds, he or she needs to report the holding per each individual transaction.

If the employee uses discretionary fund management, where investments may vary between funds and the amounts and frequencies per fund are different, reports must also be made for each transaction. If the discretionary management is carried out only in the same funds, for the same amount and with the same frequency, the above-mentioned simplified reporting procedure may be applied.

# 7 Investment recommendations

In this section, a number of investment recommendations[18] are set out, which aim to help employees keep a healthy distance from what constitutes insider trading or the use of confidential information. The recommendations also aim to prevent employees from being in situations that may constitute a conflict of interest and ultimately risk disqualification, or that the employee trades in financial instruments in a way that may constitute a secondary occupation that can damage confidence. The recommendations are based on the precautionary principle and are aimed at all employees who are obliged to report. Employees who are not obliged to report are therefore not covered by the recommendations, but can use them as an optional guide.

Before trading in financial instruments, employees should consider whether trading and therefore ownership would constitute a circumstance that could lead to a disqualification or other conflict of interest.

If an employee chooses not to follow the recommendations, they should be prepared to justify and explain their position (comply or explain principle). An explanation could be, for example, that the employee does not have any information (either insider information or confidential information) that could be exploited or that the employee does not work with tasks that could lead to a disqualification or other conflict of interest and that there is no risk of damage of confidence.

The consequences of employees with a reporting obligation not following the Riksbank's investment recommendations may be assessed on a case-by-case basis and in accordance with section 12 on breaches of the rule.

If the employee is unsure, they should contact the Risk Division for advice.

[18] The authorities may issue investment recommendations to guide employees as to how they should act in their own securities trading to maintain public trust in the authority and to avoid employees violating insider legislation (Government Bill 1990/91:42 p. 49). The Riksbank is not authorised to prohibit employees from owning financial instruments or certain types of financial instrument. This would require, according to the Swedish constitution, that there be a provision in a law stating that it is possible for the authority to impose such a ban (Chapter 12, Section 7 of the Instrument of Government).

## 7.1 Recommendation regarding financial instruments

All employees subject to the reporting obligation are *advised* to refrain from acquiring financial instruments (e.g. shares) in:

- the Riksbank's counterparties, which include RIX participants, monetary policy counterparties and counterparties in foreign exchange transactions
- companies whose corporate bonds the Riksbank owns or which are included on the list of companies in which the Riksbank may purchase corporate bonds

The Risk Division shall regularly compile *a* list of the companies covered by these recommendations and publish it on the intranet. The recommendations in this section do not apply to funds that have holdings in the above-mentioned companies.

There may be occasions when employees who are obliged to report own financial instruments in the above-mentioned companies, for example because the financial instruments were acquired before their employment or assignment at the Riksbank began, because the financial instruments were acquired through inheritance or gift, or because the shares were acquired before this rule came into force. The employee is allowed to keep these financial instruments, but the employee needs to consider whether the holding may disqualify him/her from handling certain matters or whether there may be any other conflict of interest that makes it inappropriate to handle or participate in certain matters.

In case of uncertainty as to whether a potential trade risks being in breach of the Code of Ethics, the employee can turn to the Risk Division for advice. However, the final investment decisions are always made by the employee.

## 7.2 Recommendation on long-term holdings

To maintain confidence in the Riksbank, it is important to prevent any suspicion that someone is utilising insider information or confidential information. It is therefore *recommended* that the holdings of financial instruments by employees subject to the reporting obligation be long-term, i.e. at least one month. This recommendation also covers funds.

Employees who acquire securities are therefore *recommended* not to sell or otherwise secure profits (e.g. by hedging with derivative instruments) earlier than one month after their acquisition.

However, the *recommendation* concerning the minimum holding period of one month does not apply, for example, to the sale of subscription rights or to acceptance of a public takeover bid. For more examples of when the one-month rule does not apply, see Appendix 1.

If there are external circumstances beyond the employee's control, such as unforeseen changes in family or housing circumstances, the recommendation does

not apply. However, before carrying out such a transaction, the employee should contact the Risk Division for advice. The obligation to report the transactions remains.

## 7.3 Recommendation on discretionary management

The investment recommendations also include discretionary management, that is, when someone else makes a decision on behalf of the employee, if the management includes trading in shares. This is because there is a risk that companies in which the Riksbank advises against investing may be included in the employee's portfolio. Examples of discretionary management are if an employee has his/her assets managed by a private adviser and the adviser makes investment decisions on behalf of the employee or if the employee uses a robot service that invests in financial instruments on his/her behalf.

The reporting obligation remains, regardless of whether or not the management is discretionary, and regardless of which financial instruments the management concerns. See section 6.4 for further information on when and how to report.

## 7.4 Recommendation to employees who gain insight into a future monetary policy decision or forecasts

Employees at the Riksbank may gain insight into a future monetary policy decision on, for example, the policy rate and other monetary policy measures or into the Executive Board's forecast for future monetary policy.

According to the Public Access to Information and Secrecy Act[19], the Riksbank applies confidentiality to information relating to, among other things, Sweden's national monetary policy, if it can be assumed that the purpose of decided or planned measures would be jeopardised if the information were disclosed. The disclosure or unauthorised use of confidential information is prohibited.

An employee is always considered to have insight into an upcoming monetary policy decision if they participate in the monetary policy process, for example, prepare material or take part in meetings with the Executive Board. The same applies to anyone who has access to the decision-making documents that are to be or have been sent to the Executive Board. All members of the Monetary Policy Department (APP) are expected to participate in the monetary policy process.

Heads of department in other departments should identify which employees in their department are involved in the monetary policy process. Heads of department shall inform the head of the Monetary Policy Department of the identity of these employees. The head of the Monetary Policy Department shall then inform all employees within the process of the recommendations in this entire section 7.4. It is

[19] Chapter 16, Section 1 of the Public Access to Information and Secrecy Act.

not possible to define in advance exactly how long before a monetary policy decision an employee should follow these recommendations, as this depends on the actual availability of information. However, as a general rule, employees should always follow the recommendations from the date of the start of the preparations with the Executive Board. In the case of monetary policy decisions with a Monetary Policy Report, the preparation begins in connection with the MPC meeting, which usually takes place around two weeks before the decision. For the other monetary policy decisions with a shorter monetary policy update, the preparation begins in connection with drafting meeting 1, just over a week before the decision. In the case of extraordinary monetary policy meetings, the period starts as soon as it is decided that the meeting will take place. However, in specific cases, an employee may be given access even before these meetings, in which case the recommendations may need to be followed even then. If in doubt, employees should contact the Risk Division.

During the Executive Board's monetary policy meetings, employees may receive information that may affect the market and that is not made public until the minutes are published approximately one week after the decision. In such cases, in the period between the decision and the publication of the minutes, employees shall also follow the investment recommendations set out in the whole of section 7.4.

### 7.4.1 Trading in financial instruments

Employees who gain insight into an upcoming monetary policy decision are *recommended* to refrain completely from making financial instrument transactions during the time they have insight. If an employee is using discretionary management (i.e. someone else is making decisions on their behalf), they should also refrain from changing the investment mandates under discretionary management during the period they have insight. The same applies to changes in investment mandates under private pension and insurance products (e.g. endowment insurance) that allow the employee to influence the holdings in financial instruments, as well as premium and occupational pensions.

However, the *recommendation* to refrain from carrying out transactions does not apply in the case of transactions with subscription rights or in the case of a public takeover bid.

### 7.4.2 Regular savings in funds

The recommendation in section 7.4.1 regarding employees' trading in financial instruments during the period when an employee has insight into a future monetary policy decision or forecast essentially also applies to funds. If an employee has regular saving in funds, however, this can continue provided that the savings are made in approximately the same funds, at the same frequency and for the same value. For example, the employee may have a standing monthly transfer to one or more predetermined mutual funds. However, trading in other financial instruments covered by the reporting obligation should be completely avoided during periods of insight.

Any deviation from this recommendation, for example in the case of the purchase of a new home that requires the sale of certain fund holdings, should be coordinated with the Risk Division.

### 7.4.3 Mortgages and other loans

Employees who gain insight into future monetary policy decisions are *recommended* to refrain from negotiating interest rates or taking out new loans throughout the period the employee has insight. However, there may be times when an employee cannot influence that a change in terms and conditions will occur during that period, for example if the employee has a fixed interest rate that expires then. If this is the case, those who are usually involved in monetary policy decisions should, whenever possible, negotiate and conclude agreements and/or agree on the change of conditions beforehand. The Risk Division can provide further guidance to those who need to manage such changes in terms and conditions.

When negotiating interest rates, employees should ensure that any interest rate discounts are not granted because of the employee's role at the Riksbank. A more favourable discount than in market terms could be seen as a bribe; see also section 8 on gifts and bribes.

### 7.4.4 Foreign exchange transactions in case of insight into future monetary policy decisions or forecasts

Employees are *recommended* to refrain from trading in foreign currencies for investment purposes for the entire period that the employee has insight into future monetary policy decisions or forecasts.

Foreign exchange transactions related to employees travelling, owning real estate or having their family living abroad are not covered by the recommendation.

# 8 Gifts and bribes

## 8.1 Receiving and giving bribes

An employee who receives an undue advantage for the employment or performance of an assignment, for himself or for someone else, may be convicted of taking bribes. The same applies if the employee accepts a promise or requests an undue advantage. Anyone who gives, promises or offers an undue advantage may be convicted of active bribery. [20]

Under certain conditions, the crimes of taking and giving a bribe may be regarded as gross offences.[21] A circumstance that could make a bribery offence gross is when the

[20] Chapter 10, Sections 5 a–5 c of the Penal Code.

[21] Chapter 10, Section 5 c of the Penal Code.

act has involved abuse or attack on a particularly responsible position. This includes actions that have involved some of the most central decision-making functions in society. The Riksbank is one of these functions.[22] Matters relating to major public procurement proceedings are also included.

An undue advantage may be, for example, cash, gift cards, discounts, meals, mingling (with food or drink), accommodation, travel, loans on non-market terms or tickets to an entertainment or sporting event.

The Riksbank's employees must be very careful if they are offered benefits and gifts by their external contacts, since the Riksbank's activities are considered to demand a particularly high level of responsibility, which entails very high requirements regarding integrity and independence. In the event of uncertainty, the employee shall contact their line manager or the Legal Secretariat.

## 8.2 Gifts

A gift is unlawful if it is not a natural part of, or does not have an immediate relation to, the recipient's exercise of his/her duties, or if it is not an expression of a generally accepted form of social intercourse. Even advantages given to immediate family members can be undue.

A gift should never be accepted if it could be thought to influence the employee's performance of duties. If the value of the gift is more than negligible, the employee should not accept it. The most common presents given in working life are of little financial value, such as presents in the form of flowers, chocolate, books and ornaments. Employees should not accept gifts to a value exceeding SEK 400. When celebrating 50th birthdays and similar, it may be possible to accept a slightly higher value.

However, it cannot be ruled out that employees will, at some point, be given a gift or advantage that is really too expensive but which cannot be rejected for reasons of courtesy. This can apply, for instance, to gifts between central banks. The employee may then accept the gift, but must afterwards report it to their line manager and to the Legal Secretariat, who will ensure that the gift is dealt with on behalf of the Riksbank and added to the inventory of property belonging to the Riksbank.

### 8.2.1 In procurement procedures, ongoing negotiations and similar

During procurement procedures, ongoing negotiations or similar situations where an employee's integrity is particularly important, employees should not accept any gifts at all. Even if there is little risk that an employee would be influenced by the gift, such an action could be considered undue. It is better to refuse rather than to accept a gift

[22] Government Bill 2011/12:79 p. 47.

if the employee has any doubts at all, even if the value of the gift is considerably lower than SEK 400.

### 8.2.2 Lunches and dinners

Ordinary lunches and dinners in connection with work can normally be accepted, on assumption that the meal is not more costly than usual. Sometimes it is possible for an employee to accept a meal at a higher price than a normal business lunch; for instance, on the occasion of a trade association's AGM or an anniversary dinner.

However, meals should never be accepted in connection with a procurement procedure where the host could be a potential supplier or has just been chosen as supplier.

Employees should not accept meals offered by the Riksbank's counterparties, unless there is a major event involving many different participants and there is no obvious link to individual Riksbank employees.

## 8.3 Complimentary benefits

Employees must be very restrictive in accepting complimentary benefits, for instance, if an employee takes part in a seminar that includes additional events of a leisure nature paid for by the organiser. If it is an event in which it is important for the Riksbank to participate, the bank should pay the employee's costs, including travel expenses, hotel and any additional events. If it is not possible to ascertain the direct costs of the benefits, then the Riksbank should pay a standard cost calculated on the market value.

However, there may be exceptions, for instance concerning events organised within the central bank sphere, when it might be difficult to insist that the Riksbank pay its employees' costs. In certain cases, when an employee actively participates in an event arranged by an international organisation, such as the IMF, the BIS, the World Bank, the EU/ECB, or by governmental or non-commercial organisations, there may be reason to allow the organisation to stand for greater costs than would be accepted with regard to, for instance, institutes that have a counterparty relationship with the Riksbank.

If there are any doubts about gifts and complimentary benefits, the employee should always discuss them with their line manager or the Legal Secretariat.

# 9 The whistle blower function

Every employee has the possibility to report suspicions of irregularities, incongruities and deviations from the ethical regulations. For more information about this possibility, how to handle a report and how to report, see the Regulation for whistle

blowing published on the intranet, Banconätet[23]. The regulation also provides information on the freedom of communication.

# 10 Compliance with the Code

Every employee has a responsibility to comply with this Code of Ethics. The line manager is responsible for informing employees that it exists.

The Risk Division is responsible for the control and monitoring of employees' reported holdings in financial instruments.

# 11 Training

To ensure that all employees at the Riksbank are familiar with the Code, regular information and training will be provided in this field. The Legal Secretariat is responsible for providing training and for ensuring that the training programme is updated annually and thus remains current. The line manager is responsible for ensuring that employees undergo the necessary training and for identifying whether knowledge of these rules needs to be updated. If an individual employee or an entire division needs training, the Legal Secretariat can be contacted. When a new employee is hired, the line manager must ensure that the employee receives training on this Code of Ethics. If the employee requires training in English and none is available, it is the responsibility of the line manager to provide the English version of this Code of Ethics and ensure that the employee understands it.

# 12 Non-compliance with the Code

Possible breaches shall be assessed and reported by the Legal Secretariat/Risk Division to the relevant head of department. The head of department shall, in consultation with HR and with the support of the Legal Secretariat and the Risk Division, decide on appropriate measures in accordance with the Riksbank's Regulation on disciplinary measures.

Some violations may lead to the employee being convicted of a crime in a general court of law, for instance, insider trading, official misconduct or breach of confidentiality. Even if the non-compliance is not regarded as a crime in accordance with general penal provisions, the actions may be examined by the Riksbank's Staff Disciplinary Board in accordance with the regulations on disciplinary responsibility in the Swedish Act on Public Employment. There might in this case be disciplinary consequences for official misconduct, such as a warning and a salary deduction. If the offence is serious, the employee may be dismissed or given notice.

[23] https://banconatet/sv/stod-i-arbetet/visselblasning/

# 13 Entry into force

This Code of Ethics enters into force on 1 July 2024 and replaces the previous version of the Code (ref.no. 2023-00733) decided on 7 June 2023.

# Appendix 1 Examples of when the one-month rule does not apply

The requirement of a minimum holding period of one month does not apply in the following cases:

1. To the disposal of financial instruments when the price has fallen so that no profit is realised.
2. In the case of purchases to cover financial instruments that have been subject to short selling when the price has risen so that no profit is realised.
3. To the disposal of allocated emission and purchase rights and similar rights
4. When exercising, for example, a call option, warrant or convertible bond for delivery, subscription or conversion to the underlying financial instrument. This may be done even if the instrument utilised has not been held for one month. For underlying financial instruments acquired in this way, when calculating the holding period, the holding period of the instrument utilised may also be taken into account
5. Upon acceptance of a public bid.
6. In the case of the disposal of financial instruments acquired in connection with a tender offer (spin-off) or received as a distribution in kind (e.g. in the form of shares) or by way of a bonus issue, if the instrument giving rise to the operation has been held for more than one month.