



Terms and Conditions for RIX and Monetary Policy Instruments Master Document

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A Terms and Conditions

1 Overview of the Terms and Conditions

- (a) The Riksbank's Terms and Conditions for RIX and Monetary Policy Instruments (Terms and Conditions) consist of Accession Agreements, this document (the Master Document) and other annexes and sub-annexes attached to the Master Document and which are stated in Annex H0. The latest version of each document is also specified in Annex H0.
- (b) The Terms and Conditions regulate the legal relationship between
 - the Riksbank on the one hand and
 - Counterparties on the other.
- (c) The Master Document and Annex H1 (Definitions and Abbreviations) contain the basic provisions of the Terms and Conditions. The annexes indicated in Annex H0 contain supplementary provisions which are legally binding on the parties even in the absence of reference to these provisions in the Master Document.
- (d) If any of the terms and conditions in the Master Document and Annex H1 is incompatible with terms and conditions specified in any other document listed in Annex H0, the terms and conditions of the Master Document and Annex H0 shall take precedence.

2 Amendments to the Terms and Conditions

- (a) The Riksbank is entitled to amend the contents of and make additions to the Terms and Conditions.
- (b) The Riksbank shall send proposed amendments and additions to all concerned Counterparties, who shall have the opportunity to provide their points of view on the proposal within 30 calendar days, or the longer period that the Riksbank decides, unless it follows otherwise from (c).
- (c) The Riksbank may refrain from the referral procedure under (b), or decide on a shorter time period than 30 calendar days, if
 - (i) the amendment or addition is occasioned by a legal act or other regulation decided by the ECB, by amended or new legislation or by court decisions or judgements or decisions by a public authority, which the Riksbank is obliged or deems it appropriate to comply with,
 - (ii) the Riksbank considers it is manifestly unnecessary or that there are special reasons.
- (d) The Riksbank shall inform the Counterparties about amendments and additions the Riksbank has decided.
- (e) A notification under (d) shall be sent to the Counterparties at least 15 calendar days before the amendment takes effect. Such notification may, however, be sent later if

- (i) the amendment or addition is occasioned by a legal act or other regulation decided by the ECB, by amended or new legislation or by court decisions or judgements or by decisions by a public authority, which the Riksbank is obliged or deems it appropriate to comply with, or
- (ii) it is not practicably possible to send notification earlier or if the Riksbank otherwise considers that there are exceptional reasons.

3 Deviations and supplements

- (a) The Riksbank can agree with an individual Counterparty on deviations from or supplements to the Terms and Conditions if this is made necessary by the content of foreign law or if there are other special reasons.
- (b) An agreement under (a) shall be made in writing and be compatible with the principle of neutrality under B.4.2.1.

4 Language versions

- (a) The Terms and Conditions are available in Swedish and English. The part of the Terms and Conditions referred to as Guide is only available in English.
- (b) The Swedish version has priority over the English.

B Introductory conditions

1 Definitions and Abbreviations

Words and terms used in the Terms and Conditions shall be considered as having the meaning shown in the definitions in Annex H1 (Definitions and Abbreviations) unless otherwise follows from the context.

2 General aspects of rights and obligations according to the Terms and Conditions

An Institution that fulfils the relevant access criteria in accordance with B.3 may, after application and consideration in accordance with B.4, be invited to sign the Accession Agreement. By signing the relevant Accession Agreement with the Riksbank, an Institution receives the rights and obligations in relation to the Riksbank that are set out in the relevant parts of the Terms and Conditions.

3 Access criteria

3.1 Categories of Counterparty

3.1.1 RIX Participant

The following Institutions can be RIX Participants:

- (i) Credit Institutions,
- (ii) Investment Firms, provided the firm is permitted to trade in financial instruments on behalf of others in its own name or on its own account, or provide guarantees in connection with issues of securities,
- (iii) Central Securities Depositories,
- (iv) Central Counterparties,
- (v) Clearing Organisations, and
- (vi) the Swedish National Debt Office.

A RIX Participant is a participant in RIX and has the possibility to execute transfers and receive transfers from other RIX Participants and, against pledged collateral, to gain access to Intraday credit for transfers in RIX.

3.1.2 Monetary Policy Counterparty

Only Credit Institutions are acceptable as Monetary Policy Counterparties. For Outright Purchase or Sale, however, the Riksbank may also turn to institutional categories other than Credit Institutions (cf. D.1.3(b)).

A Monetary Policy Counterparty is a participant in the Monetary Policy Operational Framework and may participate in Repos, Credit, Outright Purchase or Sale, Issues, Deposits and Standing Facilities (Monetary Policy Instruments in Swedish krona). See also sections D.1 and D.2.

3.1.3 Counterparty in Foreign Exchange (FX) Transactions

Only Credit Institutions are acceptable as FX Counterparties.

A Counterparty in FX Transactions is a participant in the Monetary Policy Operational Framework and may participate in FX Swaps and FX Transactions (Monetary Policy Instruments in foreign currency). See also section D.1.

3.2 **Qualification requirements for Counterparties**

3.2.1 General requirements

After application in accordance with B.4., the following prerequisites shall be met for an Institution to be accepted as a Counterparty:

- (a) The Institution shall belong to the relevant category of counterparty as stipulated by B.3.1;
- (b) Institutions domiciled within the EEA shall fulfil the capital requirements applicable to the Institution in the country where the Institution is domiciled. Institutions domiciled outside the EEA shall fulfil capital requirements equivalent to those applicable within the EU. Clearing organisations for which there are no capital requirements within the EU shall fulfil the capital requirements set out in the CPMI-IOSCO Principles for Financial Markets Infrastructures (PFMI);
- (c) Institutions (except for the Swedish National Debt Office) shall be subject to adequate supervision by an authority in the country in which the Institution is domiciled;
- (d) Institutions (except for the Swedish National Debt Office) shall grant permission for all information concerning the Institution that has been provided or will be provided to the Riksbank, as well as information on transactions in RIX, monetary policy transactions and FX transactions, as well as collateral for credits, to be used by the Riksbank in the execution of its tasks and to be shared with the appropriate supervisory or resolution authority within the framework of the Riksbank's cooperation with such authorities;
- (e) Institutions domiciled abroad shall comply with the following requirements:
 - (i) the Institution shall have valid legal status and the capacity to assume with binding effect the rights and obligations ensuing from the Terms and Conditions; and
 - (ii) the Terms and Conditions shall be valid according to the law of and enforceable in, the Institution's country of domicile;
- (f) The Institution undertakes:
 - (i) to provide to the Riksbank the information specified by the Counterparty Application Instructions;
 - (ii) to inform the Riksbank, without delay, of changes concerning the Counterparty's ownership, financial position, operations, organisation and risk management of which the Counterparty has previously informed the Riksbank or which may be significant for validating the requirements in accordance with point B.4.2;

- (iii) to provide the financial information requested by the Riksbank;
- (iv) at the request of the Riksbank, to meet the Riksbank to discuss its role as Counterparty and otherwise participate in the monitoring of Counterparties regularly carried out by the Riksbank and to provide the information requested by the Riksbank;
- (v) to inform the Riksbank of changes in its operations that may be of significance for RIX or, in the case of a Monetary Policy Counterparty or Counterparty in FX Transactions, the functioning of the Monetary Policy Operational Framework; and
- (vi) to comply with the Terms and Conditions where applicable and with other provisions applicable to its operations, including legislation applicable to the participant on money laundering and the funding of terrorism.

3.2.2 Special requirements for RIX Participants

To be accepted as a RIX Participant, an Institution shall, in addition to the provisions of B.3.2.1, fulfil the following requirements;

- (a) the Institution shall have the operational capacity to participate in RIX and to efficiently carry out transactions in the way dictated in the Terms and Conditions;
- (b) the institution shall have necessary systems and routines for risk management;
- (c) the Institution shall have secure technical systems, including protection against cyber threats, and apply requirements and, to the greatest extent possible, recommendations on security arrangements issued by operators of networks and message handling systems utilised by the RIX Participant;
- (d) the Institution shall have requisite continuity solutions including technical redundancy (redundancy means two or more alternative - identical or different - systems or components that independently of each other perform the same task);
- (e) the Institution shall have well-functioning, documented and tried and tested routines for incident management and contingency routines;
- (f) the Institution shall apply the four eyes principle when registering transfers in RIX Online and when signing Funds Transfer Instructions when manual routines for the settlement of transfers are used;
- (g) in the event that the Institution has a recovery plan in accordance with Finansinspektionen regulation FFFS 2016:6 or corresponding plans according to national legislation, the recovery plan shall cover the operations conducted via RIX participation;
- (h) The Institution undertakes:
 - (i) to participate in the recurrent exercises relating to incident management and contingency routines arranged by the Riksbank;
 - (ii) to inform the Riksbank if it becomes aware of circumstances that could disrupt the communication or transfer process in RIX; and

- (iii) to provide an incident report following the occurrence of any operational or communication disruption that has affected settlement in RIX.

3.2.3 Special requirements for Monetary Policy Counterparties

In addition to the provisions of B.3.2.1, an Institution shall, to be accepted as Monetary Policy Counterparty, be a participant in RIX, have its registered office or a branch in Sweden, have the operational capacity to act as Monetary Policy Counterparty and undertake to:

- (a) as soon as practically possible inform the Riksbank:
 - (i) of notable structural changes and tendencies in the Swedish money and bond markets;
 - (ii) of factors that could affect the Swedish money and bond markets in the short term and that the Riksbank cannot be assumed to have received information about in any other way;
 - (iii) whether the Counterparty suspects or knows of anomalies in the trading on the money and bond markets, e.g. because transactions deviate from what is normal as regards their size, frequency or price; and
 - (iv) of notable staff changes that have significance for the Riksbank's contacts with the Institution, particularly with regard to the responsible contact person.
- (b) to report to the Riksbank, in accordance with the Riksbank's detailed instructions, both the size of the turnover the Monetary Policy Counterparty and its group companies have had in the money and bond markets, and information on transactions on the money market. The Riksbank may waive this reporting or parts thereof if, in the Riksbank's assessment, the Institution is of minor significance as actor on the market.

3.2.4 Special requirements for Counterparties in Foreign Exchange (FX) Transactions

To be accepted as Counterparty in FX Transactions, an Institution shall, in addition to the provisions of B.3.2.1, have the operating capacity to act as Counterparty in FX Transactions and, alone or together with another company in the same group, have a share of the FX market that the Riksbank considers to be sufficiently large. The Institution shall undertake:

- (a) (i) to report to the Riksbank, in accordance with the Riksbank's detailed instructions, the size of the daily turnover the Counterparty and its group companies have had in the FX market and which daily currency positions the Counterparty and group companies hold;
- (ii) in the interbank market, on request, to quote binding two-way market prices in Swedish krona spot against euro for the equivalent of EUR 5 million and forward against US dollars for the equivalent of USD 10 million;
- (iii) via Thomson Reuter or a similar information system, to show indicative prices in these currencies during normal opening hours in the market; and

- (b) as soon as practically possible, to inform the Riksbank:
 - (i) of notable structural changes and development trends in the FX market regarding the Swedish krona;
 - (ii) of factors that could affect the Swedish FX market in the short term and that the Riksbank cannot be assumed to have received information about in any other way; and
 - (iii) of notable staff changes that have significance for the Riksbank's contacts with the Institution, particularly with regard to the responsible contact person.

3.2.5 Written certificate from the Counterparty

In conjunction with application according to B.4 or when requested by the Riksbank, the Counterparty shall certify, in writing, that it fulfils the requirements and shall meet the undertakings specified in B.3.2.1-B.3.2.4. This certificate must be signed by an authorised signatory.

3.2.6 Requirement for the provision of information

An Institution shall provide information and certification that the Riksbank considers necessary or appropriate regarding the Counterparty and securities that the Riksbank holds on behalf of the RIX Participant at a Central Securities Depository or other depository in accordance with the Terms and Conditions and shall grant permission for the Riksbank to share such information with these institutions or any relevant authority.

3.2.7 Requirement for general soundness for RIX Participants and Monetary Policy Counterparties

An Institution may only be a participant in RIX and/or Monetary Policy Counterparty if the Riksbank deems that such participation will not endanger the overall stability, soundness and safety of RIX or the Monetary Policy Operational Framework. Neither may such participation jeopardise the Riksbank's ability to carry out its tasks or be deemed to entail such risks as to mean that the Institution's participation in RIX and/or the Monetary Policy Operational Framework cannot be approved for reasons of caution.

3.2.8 Requirement for general soundness for Counterparties in FX Transactions

An Institution may only be a Counterparty in FX Transactions if the Riksbank deems that such participation will not endanger the general stability, soundness or safety of the Monetary Policy Operational Framework or FX market. Neither may such participation jeopardise the Riksbank's ability to carry out its tasks or be deemed to entail such risks as to mean that the Institution's participation cannot be approved for reasons of caution.

3.2.9 Maintenance of qualifications

The requirements laid down in the Terms and Conditions for an Institution to be accepted as a Counterparty shall be fulfilled for as long as the Institution is a Counterparty.

4 Application to become a Counterparty

4.1 General aspects

- (a) An Institution that desires to be a RIX Participant, Monetary Policy Counterparty or Counterparty in FX Transactions shall submit an application to the Riksbank.
- (b) An application pursuant to (a) shall be drawn up and contain information in accordance with more detailed instructions specified for each counterparty category in Annex H9. Annex H9 describes the applications procedure in more detail.
- (c) No application to be a Counterparty is required for Market Operations in the form of *Outright Purchase or Sale* (cf. D.1.3(b))

4.2 Examination of applications

4.2.1 Principles for the examination

In its examination of an application under 4.1 the Riksbank shall apply the principles of:

- (a) free access, which means that any party that fulfils the requirements for Counterparties according to the Terms and Conditions shall be accepted as a Counterparty, and
- (b) neutrality, which means that the Terms and Conditions shall be applied uniformly to all Institutions.

4.2.2 Investigation in connection with the examination

- (a) The Riksbank has the right, at the applicant Institution's expense, to undertake or request any investigations the Riksbank finds necessary for its assessment of whether the applicant meets the requirements according to the Terms and Conditions.
- (b) The Institution shall, if it has its registered office outside Sweden, at the request of the Riksbank submit a legal opinion:
 - (i) regarding the Institution's legal status and capacity to assume with binding effect the rights and obligations ensuing from the Terms and Conditions, and
 - (ii) confirming that the Terms and Conditions are valid and enforceable in the Institution's country of domicile.
- (c) The legal opinion under (b) shall be paid for by the Institution and arranged and drawn up in accordance with instructions provided by the Riksbank.
- (d) A request for legal opinions under (b) (ii) will not be made if the Riksbank already has access to corresponding information and does not require updated information.

5 Credit and credit facility

- (a) The Riksbank can grant Credit within the frameworks for RIX (Intraday Credit) and the Monetary Policy Operational Framework (as a Market Operation or under the Standing Facilities).
- (b) Credit can be only be granted in Swedish krona.
- (c) The credit line for a Counterparty is determined – except in the case of the Swedish National Debt Office – in relation to the value of the assets the Counterparty has pledged as collateral, in accordance with the methods for valuation and risk management that are specified in Conditions for Collateral etc. (E). For credit in the form of a Market Operation (D.1.2.2), the credit line corresponds to the allocated amount. The credit line plus accrued interest can also be adjusted in accordance with E.2.2.4.
- (d) When a Counterparty pledges an asset as collateral to the Riksbank, the Counterparty's credit line is only extended once the Riksbank has received a valid right of pledge in the asset and, where applicable, once the Riksbank has been informed that pledging is completed. The equivalent applies even when a Credit is collateralised in another way than by pledging.
- (e) The assets a Counterparty has provided as collateral in accordance with Conditions for Collateral etc. (E) or under a separate agreement constitute collateral for all of the Counterparty's commitments to the Riksbank.
- (f) Further provisions for Credit and collateral are contained in Conditions for Payment Settlement in RIX (C), Conditions for Monetary Policy Instruments (D) and Conditions for Collateral etc. (E).

6 Termination

6.1 The right of the Counterparty to give notice

- (a) A Counterparty is entitled to give notice to withdraw from RIX and/or the Monetary Policy Operational Framework.
- (b) The Counterparty's participation in the respective system ceases one month after the end of the month in which the Riksbank receives the notice, or at a later date if so stated in the notice.
- (c) Notice in accordance with (a) shall be given in writing.

6.2 The right of the Riksbank to give notice

- (a) The Riksbank has (in addition to what is stated in B.7) the right to give notice to all participants in one or more counterparty categories at once (RIX Participant, Monetary Policy Counterparty and Counterparty in FX Transactions) both with regard to their connection to RIX or the Monetary Policy Operational Framework.
- (b) The Riksbank is not entitled to give notice to terminate the participation of a single Counterparty in RIX or the Monetary Policy Operational Framework except by means of exclusion in accordance with B.7.
- (c) In the event of notice in accordance with (a), Counterparty participation in RIX and the Monetary Policy Operational Framework ceases in the respects

covered by the notice one month after the end of the month in which the Riksbank sent the notice, or at the later date specified by the Riksbank in the notice.

- (d) Notice in accordance with (a) shall be given in writing.

6.3 Partial or total notice

Notice to terminate can relate to RIX and the Monetary Policy Operational Framework as a whole or to only RIX or the Monetary Policy Operational Framework or to some part or combination of these.

7 Exclusion and other sanctions

7.1 Prerequisites for exclusion

- (a) The Riksbank can exclude a Counterparty from RIX and/or the Monetary Policy Operational Framework if the Participant or Counterparty:
- (i) does not fulfil the requirements or undertakings specified in B.3,
 - (ii) fails to meet the undertakings made in accordance with B.3.2,
 - (iii) breaches any provision in the Terms and Conditions,
 - (iv) is declared bankrupt, applies for bankruptcy, suspends payments, is the object of a composition, a company reconstruction or other similar procedure (see B.7.7 however), or, according to the reasonable view of the Riksbank, can be assumed for other reasons to be insolvent or have an uncertain financial position,
 - (v) enters liquidation,
 - (vi) is subject to an intervention pursuant to Chapter 15, Sections 1–6 or 15–17 of the Banking and Financing Act (2004:297) (Lagen om bank- och finansieringsrörelse) or another comparable measure from the supervisory authority or an equivalent body, or
 - (vii) for other reasons, according to the reasonable view of the Riksbank, no longer meets the requirements for a RIX Participant or a Monetary Policy Counterparty.
- (b) the Riksbank can also exclude a RIX Participant from RIX if the Participant:
- (i) one year after signing the Accession Agreement has not started to use the RIX system recurrently for transfers,
 - (ii) during a continuous period of six months has not used the RIX system for transfers, or
 - (iii) fails at the proper time to pay fees, interest or other amount that the RIX Participant is bound to pay according to the Terms and Conditions.

7.2 Explanation and rectification

- (a) The Riksbank shall, when considering the exclusion of a Counterparty, give the Counterparty an opportunity of providing an explanation and undertaking rectification within a certain time.

- (b) The Riksbank need not inform a Counterparty in accordance with (a) in advance of an exclusion if the Riksbank considers this is clearly unnecessary.

7.3 Suspension

The Riksbank has the right immediately to suspend a RIX Participant from the RIX system or a Monetary Policy Counterparty from the Monetary Policy Operational Framework pending the final decision on the matter of exclusion in accordance with B.7.1 if the Riksbank finds reasonable cause to assume that grounds for exclusion exist pursuant to that provision.

7.4 Partial or total exclusion or suspension

Exclusion or suspension can refer to RIX and the Monetary Policy Operational Framework as a whole or to only RIX or the Monetary Policy Operational Framework or to some part or combination of these.

7.5 Enforcement of sanctions

- (a) If the Riksbank decides on exclusion or suspension in accordance with B.7.4, the Riksbank shall state when the decision comes into force.
- (b) The Riksbank may decide that a decision on exclusion or suspension shall take immediate effect.
- (c) Once a decision on exclusion or suspension as a RIX Participant has come into effect, no transfers will be made to or from the suspended or excluded RIX Participant.
- (d) If the suspended or excluded RIX Participant is an Authorised Settlement Agent, the aforesaid RIX Participant will also lose the right, once the decision has come into effect, to send Funds Transfer Instructions on behalf of another RIX Participant.
- (e) If the Riksbank has decided on exclusion or suspension, it shall notify the decision to the other RIX Participants without delay.

7.6 Settlement of open positions

- (a) A Counterparty that is excluded or suspended from RIX or the Monetary Policy Operational Framework shall immediately settle utilised Credit and all its other obligations that are attributable to RIX or the Monetary Policy Operational Framework.
- (b) The obligation under (a) does not apply if it is incompatible with applicable bankruptcy legislation or other binding regulations.
- (c) Further provisions for the final settlement of business between the Riksbank and the Counterparty are contained in B.8.

7.7 Resolution

The Riksbank does not have the right to exclude or suspend a RIX Participant from RIX or a Counterparty from the Monetary Policy Operational Framework on the sole grounds of a decision on resolution, a resolution measure or an event that has a direct connection to

such a decision in accordance with the Resolution Act (2015:1016) (Lagen om resolution) or equivalent foreign legislation.

8 Legal situation after termination or exclusion

- (a) The Accession Agreement – and thereby an Institution’s role as RIX Participant or Monetary Policy Counterparty – ceases to apply as a result of termination or exclusion in accordance with the provisions in the Terms and Conditions unless otherwise provided for in (b) and (c).
- (b) If notice to terminate or exclusion refers to only RIX or the Monetary Policy Operational Framework, or part thereof, the Accession Agreement and the Terms and Conditions apply in other respects even after suspension or exclusion.
- (c) Repos and other obligations occasioned by the Terms and Conditions and the provisions contained therein shall continue to apply where applicable between the Counterparty and the Riksbank until all their relations and transactions in connection with RIX or the Monetary Policy Operational Framework have been finally settled.

9 Limitations of liability and right to compensation

- (a) Neither the Riksbank nor a Counterparty is liable for:
 - (i) damage that has arisen, unless the Riksbank or the Counterparty has been negligent,
 - (ii) damage occasioned by Swedish or foreign law or statutory provision, the act of a Swedish or foreign authority, acts of war, electric power cuts, telephone breakdown, fire, water damage, strikes, blockades, lockouts, boycotts, or other similar circumstance outside the party’s control, the consequences of which the party could not reasonably have avoided or overcome. The proviso relating to strikes, blockades, lockouts or boycotts also applies if the party itself is the object of or undertakes such an act of conflict.
- (b) The Riksbank is not liable for:
 - (i) damage caused by error or stoppage in the Riksbank’s or its suppliers’ technical infrastructure (including but not limited to RIX and its associated applications, message processing systems, other computer systems, software, data, communication networks, etc.) if the error or stoppage has arisen despite the Riksbank having taken reasonable measures to prevent error or stoppage occurring and to rectify errors or stoppages when they do occur,
 - (ii) damage due to disruption in Euroclear Sweden’s settlement system. Transfers due to securities settlement in Euroclear Sweden assume collaboration between the Riksbank and Euroclear Sweden. The Riksbank is not liable for damage arising if this collaboration is interrupted for any reason,
 - (iii) damage as a result of information or certification provided by the Riksbank to a third party regarding the Counterparty or securities that the Riksbank holds on behalf of the RIX participant at a central

- securities depository or other depository in accordance with the Terms and Conditions, if this information and certification has been submitted to the Riksbank by the Counterparty,
- (iv) damage occasioned by disruptions in the SWIFT System or in the Riksbank's or a Counterparty's connection to SWIFT,
 - (v) the correctness of underlying payment obligations or payment identification relating to Funds Transfer Instructions.
- (c) The Counterparty shall compensate the Riksbank for damage as a result of information or certification provided by the Riksbank to a third party regarding the Counterparty or securities that the Riksbank holds on behalf of the RIX participant at a central securities depository or other depository in accordance with the Terms and Conditions, if this information and certification has been submitted to the Riksbank by the Counterparty,
 - (d) The Riksbank cannot be liable for measures taken due to public law or specific legislation applicable to the Riksbank (including, but not limited to, the release of official public documents or in its communication with other public bodies),
 - (e) Neither the Riksbank nor the Counterparty can be liable for an action or failure to act which complies with the Terms and Conditions.
 - (f) If there are obstacles to the Riksbank or a Counterparty fulfilling an obligation in accordance with the Terms and Conditions due to a circumstance according to (a)(ii) above, the obligation may be fulfilled when it has become feasible in practice to do so.
 - (g) The Riksbank's or Counterparty's liability does not cover loss of sales revenue or profit or effects on a party's agreement with a third party caused by errors or defects in the agreed services or other damaging actions. Neither does the Riksbank's or Counterparty's liability cover indirect losses or other indirect damage. This only applies, however, on condition that the damage has not been caused a party's gross negligence.
 - (h) The Riksbank and Counterparty shall take adequate measures to limit any damage caused.

10 Power of attorney

- (a) A Counterparty shall, through a power of attorney of the kind referred to in Annex H3 RIX Instructions, Section 4, signed by an authorised representative of the Counterparty, authorise one or more persons to represent the Counterparty in those parts specified in the power of attorney.
- (b) A power of attorney pursuant to (a) can be revoked only by written message to the Riksbank, signed by an authorised representative of the Counterparty.
- (c) When the power of attorney according to (a) or the revocation of the power of attorney according to (b) has been submitted to the Riksbank, the Counterparty shall enclose documents that confirm the authority of the person issuing the power of attorney or the revocation of the power of attorney.

- (d) C.1.5.1 and Annex H3 RIX Instructions, Section 5, contain conditions on the right of a RIX Participant to send Funds Transfer Instructions through an Authorised Settlement Agent in accordance with a specific power of attorney.

11 Messages

- (a) Funds Transfer Instructions shall be sent in accordance with the procedures following from C.2.
- (b) The EMS messaging function shall only be used for RIX-related purposes. A participant wishing to use EMS for another purpose shall obtain the Riksbank's approval. The Riksbank has the right to read messages if required.
- (c) Messages other than those referred to in (a) and (b) and that are covered by these Terms and Conditions, shall, unless otherwise indicated in the Terms and Conditions, be sent by letter to Sveriges Riksbank, Attn: RIX Helpdesk, 103 37 Stockholm or in another way agreed between the Riksbank and the Counterparty. Such a message shall take effect when received by the recipient.
- (d) Information and messages sent by the Counterparty will be dealt with in accordance with the applicable provisions on public access to information and secrecy.

12 Personal data

All processing of personal data in the Riksbank's operations is handled in accordance with the General Data Protection Regulation. The Riksbank's currently applicable integrity policy explains how the Riksbank manages personal data.

13 Transfer of rights and obligations

A Counterparty may not transfer or otherwise dispose of rights or obligations under the Terms and Conditions.

14 Applicable law and settlement of disputes

- (a) The Terms and Conditions shall be interpreted and applied in accordance with Swedish law.
- (b) Legal proceedings against the Riksbank arising from the Terms and Conditions may be instituted by a Counterparty only at Stockholm District Court. This restriction on the Counterparty's right to institute legal proceedings does not apply to the Riksbank.

C Conditions for transfers in RIX

Introduction

The Riksbank executes transfers between the accounts of RIX Participants under the conditions stated in the Terms and Conditions. A transfer entails debiting the account of a RIX Participant and at the same time crediting the account of the recipient RIX Participant.

1 Communication and authority

1.1 Communication and technical connection

- (a) Communication between RIX Participants and the Riksbank shall take place in accordance with the technical specifications stated in Annex H3 RIX Instructions. RIX Participants shall at all times have access to a functioning link to the Riksbank via SWIFT's FIN Y-COPY and via RIX Online.
- (b) A RIX Participant shall have the technical equipment required to be able to send and receive Funds Transfer Instructions and other information arising from participation in RIX and in accordance with these Terms and Conditions.

1.2 Operational and communication disruptions

- (a) The Riksbank shall, as soon as it is practically possible, notify RIX Participants if it becomes aware of disruptions to the communication and transfer process in RIX.
- (b) If operational or communication disruptions prevent a RIX Participant from sending or receiving information which has an impact on transfers in RIX, the RIX Participant may, subject to space availability and if the Riksbank deems it appropriate taking into consideration the needs of the RIX Participant, the effects of the disruptions and other circumstances, use contingency equipment at the Riksbank's premises.
- (c) the RIX Participant shall provide a preliminary incident report to the Riksbank by no later than the Banking Day after the disruption occurred to the RIX Participant. A final incident report shall be provided by no later than seven calendar days after the incident occurred. The incident reports shall be prepared in accordance with the Riksbank's specifications.
- (d) In the event of operational or communication disruptions in RIX, in certain cases, the Riksbank may effect a very limited number of Funds Transfer Instructions on behalf of the RIX Participants by means of manual procedures according to the main principles provided for in Annex H3 RIX Instructions (incident management and contingency routines). It is up to the Riksbank to prioritise which Funds Transfer Instructions can be implemented using these manual procedures. These prioritisations shall always as far as possible be taken with the aim to mitigate the overall damage that the operational and communication disruptions may cause. When changing over to manual procedures, certain functions (for example, liquidity optimisation functions) in the RIX system will not be available or will only be available to a limited extent.

- (e) If a RIX Participant is prevented from sending Funds Transfer Instructions due to technical problems, the Riksbank may – if the Riksbank considers it appropriate – stop the implementation of Funds Transfer Instructions in which the RIX Participant has been specified as beneficiary of the transfer (Stop Receiving). Stop Receiving means that, until further notice, the system will not implement transfers to the RIX Participant after the stop was initiated. Stop Receiving is rescinded at the request of the RIX Participant. The Riksbank also has the right at any time and without the consent of the RIX Participant, to rescind Stop Receiving. After Stop Receiving has been rescinded, the Funds Transfer Instructions concerned will be restored in the Settlement Procedure specified by the sender in the way stated in Annex H3 RIX Instructions.
- (f) The Riksbank can decide to stop outgoing transfers from a RIX Participant (Stop Paying) in the way specified in Annex H3 RIX Instructions.

1.3 Authority issues

- (a) Issues relating to authority to represent RIX Participants concerning Funds Transfer Instructions and Access Rights Notifications sent are provided for in Annex H3 RIX Instructions, Section 4.
- (b) In accordance with the provisions of C.2.4, a RIX Participant is always bound by a Funds Transfer Instruction if it has been submitted to the Riksbank using the communication routines specified in C.2.3. See also Annex H3 RIX Instructions, Section 4, concerning the liability of RIX Participants.

1.4 Opening hours

1.4.1 RIX business hours

- (a) RIX shall be open every Banking Day. The daily hours of business and other important hours are specified in the time schedule for RIX in Annex H3 RIX Instructions.
- (b) The daily hours of business can be changed temporarily if the Riksbank considers that there are special reasons for so doing. In such cases the Riksbank shall inform the RIX Participants as quickly as possible in the way the Riksbank finds appropriate.

1.4.2 RIX Participants' business hours with RIX

- (a) A RIX Participant shall keep its connections with RIX open and staff them adequately during the hours when RIX is open, except as follows otherwise from (b).
- (b) On request, the Riksbank may consent to a RIX Participant restricting its daily hours of business. However, a RIX Participant cannot be entitled to open later than 08.00 or to close before 17.00.

1.4.3 Transfers when RIX is closed

Transfers cannot be implemented when the system is closed.

1.5 Authorised Settlement Agents and other contractors

1.5.1 Authorised Settlement Agents

A RIX Participant (provider of a power of attorney) can send Funds Transfer Instructions and receive information from the RIX system through Authorised Settlement Agents which are RIX Participants and which have obtained a specific power of attorney from the Account Holder, see Annex H3 RIX Instructions Section 5.

1.5.2 Other contractors

A RIX Participant has the right to permit a contractor to participate in the transfer process, for instance, for processing Funds Transfer Instructions and other information via SWIFT. A RIX Participant is obliged to notify the Riksbank if and to what extent the RIX Participant intends to utilise a contractor of this kind in the transfer process. The same applies to changes concerning the RIX Participant's use of such contractor.

1.6 Extra identity in RIX

- (a) A RIX Participant can have one or more extra identities in RIX (Extra Identity). A request for Extra Identity will be approved by the Riksbank if, in the Riksbank's assessment, it will not have negative effects on the efficiency and security of RIX.
- (b) A request shall be in written form and shall report the purpose of the Extra Identity and how the Extra Identity and its account shall be used.
- (c) An Extra Identity can be terminated by the Riksbank if the RIX Participant fails to comply with the Terms and Conditions.

2 Transfer etc.

2.1 Accounts

A Principal Account is opened in the system for every RIX Participant who is an Account Holder. In addition one Principal Account is opened for each approved Extra Identity. Furthermore, one or more LOM Accounts can be opened for each Principal Account at the request of the RIX Participant. Special provisions exist in Annex H3 RIX Instructions for transfers in connection with securities settlement, see Section 15.1.

2.2 Transfer alternatives

- (a) The Riksbank implements transfers in accordance with the Funds Transfer Instructions from the Account Holder or its Authorised Settlement Agent. These transfers may take place between the Account Holder's own accounts or between accounts held by different RIX Participants.
- (b) The Riksbank implements transfers arising from securities settlement through Euroclear Sweden, according to Euroclear Sweden's rules.
- (c) The transfer alternatives permitted in the RIX system are specified in Annex H3 RIX Instructions.

2.3 Funds Transfer Instructions to the Riksbank

The Riksbank is liable to implement Funds Transfer Instructions only if they have been prepared in accordance with the message specifications and have been sent in accordance with the communication routines specified in Annex H3 RIX Instructions.

2.4 Binding Funds Transfer Instructions and Access Rights Notifications

- (a) A RIX Participant is always bound by a Funds Transfer Instruction if it has been submitted to the Riksbank using the routines for communication referred to in C.2.3. and with the access rights codes (SecurID and PINcode and corresponding SWIFT codes) and Certificates which are applicable. A RIX Participant is always bound by an Access Rights Notification if it has been submitted to the Riksbank with the access rights codes (SecurID and PINcode and corresponding SWIFT codes) and Certificates which are applicable. Special conditions govern the revocation of Fund Settlement Instructions, see C.2.6 below and the reference made there.
- (b) A RIX Participant is always bound by a Fund Settlement Instruction if it has been submitted to the Riksbank using manual procedures after the Riksbank has decided to apply such procedures. However, the RIX Participant is not bound by the Fund Settlement Instruction if the Riksbank has realised, or should have realised, that the message does not originate from the RIX Participant.
- (c) The provisions made in (a) and (b) apply regardless of who has actually initiated the Funds Transfer Instruction/Access Rights Notification. See also Annex H3 RIX Instructions, Section 4, concerning the liability of RIX Participants.
- (d) The statements made in Section 32, second paragraph, of the Contracts Act (1915:218) can never be applied to Funds Transfer Instructions.

2.5 Conditions for transfer

- (a) Conditions may be attached to Funds Transfer Instructions as specified in Annex H3 RIX Instructions. If such conditions are attached to a Funds Transfer Instruction, the Riksbank will not implement the transfer until the condition has been met.
- (b) The Riksbank is not obliged to take into account other conditions for transfer than those stated in (a).

2.6 Irrevocability and finality

- (a) If the Riksbank receives a revocation of a Funds Transfer Instruction from a RIX Participant or an Authorised Settlement Agency, the Riksbank will implement the revocation, if it is practically possible depending on how far the transfer process has advanced. More detailed regulations on revocation can be found in Annex H3 RIX Instructions, Section 13.
- (b) A Funds Transfer Instruction can never be revoked once the recipient RIX Participant's account has been credited in accordance with the Funds Transfer Instruction.
- (c) A revocation of a Funds Transfer Instruction cannot be revoked.

- (d) A transfer order which concerns payment from a Liquidity Settlement Account in securities settlement in accordance with Euroclear Sweden's rules can be revoked and changed by the RIX Participant or a third party only in the way and at the latest time stated in Euroclear Sweden's rules on revocation of transfer orders. The prerequisites under which transfers can be made between the Account Holder's Liquidity Settlement Account and the Account Holder's other accounts are stated in Annex H3 RIX Instructions.
- (e) The following applies when applying the Act on Systems for Settlement of Obligations on the Financial Market (1999:1309):
 - (i) A transfer order is entered into RIX when the Funds Transfer Instruction has been Validated according to the second step of the automatic transfer process; see Annex H3 RIX Instructions, Section 12. A transfer order which is included in Concurrent Batch of Funds Transfer Instructions is entered into RIX when all Funds Transfer Instructions that belong to the same Concurrent Batch of Funds Transfer Instructions have been Validated according to the second step of the automatic transfer process; see Annex H3 RIX Instructions, Section 12.
 - (ii) During the period between the Riksbank's decision to apply manual routines pursuant to 3.3.7 Annex A 7 to Annex H3 RIX Instructions until the point of time when the Riksbank returns to normal state pursuant to a decision referred to in 3.3.9 of the same Annex, the following will apply to Fund Settlement Instructions which at the time of the first decision have not yet been entered into the system pursuant to (i). The transfer order is entered into the system when the account to be charged in accordance with the Funds Transfer Instruction has been debited.
 - (iii) A transfer between Liquidity Settlement Accounts which constitutes payment in securities settlement in accordance with Euroclear Sweden's rules is considered according to the Terms and Conditions as not being based on a transfer order which is entered into RIX. A transfer of this kind is considered instead to be based on an order entered into Euroclear Sweden's settlement system at the point in time shown by Euroclear Sweden's rules.

2.7 Corrections

The Riksbank is entitled to correct an account registration which wrongly reflects the right positions of claims between the Riksbank and the Account Holder. The Riksbank's right to correct is not limited to registrations made by the Riksbank itself. Even though the incorrect registration has been caused by a third party, or is generated by a harmful code, the Riksbank is entitled to correct pursuant to this Section C.2.7.

3 Terms and conditions of the Principal Account

Section C.3 is not applied to Deposits under the Standing Facilities. D.2 is applied instead.

3.1 Limitation of balance in the Principal Account

For RIX Participants without access to the Standing Facilities according to D.2, the highest balance in the Principal Account at the time of closing of the system shall be no more than the amount specified by the Account Terms, unless the Riksbank allows otherwise.

3.2 Principal Accounts belonging to an Extra Identity

At the end of the day, the balance of a Principal Account belonging to an Extra Identity according to C.2.1 will automatically be transferred to the RIX Participant's Principal Account that does not belong to an Extra Identity.

3.3 Interest

Interest terms for Principal Accounts are specified by the Account Terms.

3.4 Principal Account with special terms

- (a) The Riksbank may, upon request from a RIX Participant, allow special terms to be applied to the Principal Account if, in the Riksbank's assessment, there exist reasons of stability or efficiency and the Riksbank's ability to perform its tasks is not affected negatively.
- (b) A request for special terms must be in writing and the RIX Participant must state the purpose of the Principal Account and how it will be used. The Riksbank's permission may be linked with special requirements for the RIX participant, for example as regards information.
- (c) According to the special terms, the Riksbank may decide (i) that automatic transfer according to C.3.2 shall not be performed and/or (ii) that the highest permitted balance in the Principal Account according to C.3.1 shall be higher and/or (iii) on special interest terms for the Principal Account.
- (d) The Riksbank may decide that special terms for a Principal Account shall cease to apply if, in the Riksbank's assessment, there no longer exist reasons of stability or efficiency or the Riksbank's ability to perform its tasks are being negatively affected.

3.5 Exceeding the maximum balance of the Principal Account

3.5.1 Sanctions

- (a) If the maximum balance of the Principal Account according to C.3.1 is exceeded, the RIX Participant shall pay interest on the entire balance in accordance with the Account Terms with a supplement of five percentage points, increased by two-and-a-half percentage points each time such a transgression is repeated during a consecutive period of twelve months.
- (b) If a RIX Participant exceeds the maximum balance four times in a twelve-month period, the Riksbank may limit the maximum balance of the Principal Account beyond the provisions of C.3.1.

- (c) If the account is a Principal Account with special terms according to C.3.4, the Riksbank may amend the special terms of the Principal Account, in addition to the sanctions above.
- (d) Should a situation that is described in B.9(a)(ii) result in the maximum balance of the Principal Account being exceeded by the RIX Participant, none of the sanctions described in 3.5.1 (a)-(c) shall be applied. The RIX Participant shall restore the balance as soon as it has become feasible in practice.

4 Intraday Credit

4.1 Access to Intraday Credit

- (a) A RIX Participant can be granted Intraday Credit.
- (b) A RIX Participant wishing to obtain Intraday Credit shall pledge collateral in accordance with the Conditions for Collateral, etc. (E).
- (c) A RIX Participant entitled to Intraday Credit has the right to obtain Central Bank Credit in return for collateral in a special Pledge Account. E.1 applies to Central Bank Credit in addition to the provisions of Euroclear Sweden's rules.

4.2 Credit limits

4.2.1 Credit lines

Provisions concerning credit lines, e.g. for Intraday Credit, are contained in B.5.

4.3 Interest

Intraday Credit does not incur interest.

4.4 Settlement of Intraday Credit

- (a) RIX Participants that are not Monetary Policy Counterparties are obliged to settle utilised Intraday Credit at the latest at the system's closing time. At the earliest 30 minutes before closing, the Riksbank effects a repayment to the Riksbank of as large a part as possible of the outstanding Intraday Credit at the RIX participant. After this time, the RIX participant is not entitled to payment of additional Intraday Credit for the remaining part of the Banking Day.
- (b) A RIX Participant, who has obtained Central Bank Credit, is liable by itself to repay the credit no later than 2.30 pm.

4.5 Failure to settle Intraday Credit

4.5.1 Sanctions

- (a) If Intra-day Credit is not settled in accordance with C.4.4, interest is payable in accordance with the Account Terms.
- (b) A RIX Participant who fails to settle Intraday Credit four times in a twelve-month period shall be suspended for a week from access to Credit. In the

event of further failure, the RIX Participant's access to credit may be withdrawn by the Riksbank until further notice.

- (c) If a RIX Participant who has obtained Central Bank Credit has not repaid the credit in time, the Riksbank has the right to transfer all or parts of the securities pledged as collateral according to E.1.3.11 on the RIX Participant's Pledge Account for Settlement of Securities to a pledge account the content of which the RIX Participant has pledged as collateral for Intraday Credit received without connection with securities settlement at Euroclear Sweden. In addition, the Riksbank has the right, with security interest in the pledged collateral, to transfer, by way of Intraday Credit from the Riksbank, the requisite amounts for settlement of the RIX Participant's Central Bank Credit. If the security interest in the collateral that is pledged to the Riksbank for the Intraday Credit, which arises by way of the settlement, is not sufficient in accordance with these Terms and Conditions, the RIX Participant shall immediately repay the settled amounts or pledge additional collateral to the Riksbank. The Terms and Conditions apply to such Intraday Credit and the collateral.

4.6 Termination of the right to Intraday Credit

- (a) A RIX Participant ceases to have the right to Intraday Credit if the RIX Participant's access to RIX has been terminated by notice or exclusion.
- (b) A RIX Participant ceases to have the right to Intraday Credit if the RIX Participant is suspended from RIX according to B.7.3.

5 Fees

5.1 General aspects of fees in RIX

- (a) A RIX Participant shall pay fees to the Riksbank in accordance with the price list the Riksbank applies from time to time.
- (b) Fees shall be set on the principles of limitation of systemic risks, cost coverage and non-discrimination.
- (c) The Riksbank may charge a RIX Participant separately in a special procedure, and according to a special agreement, for development costs in connection with accession to RIX or the development of new services, or for other costs not included in the basis for fee-setting.
- (d) The fees shall be at the disposal of the Riksbank at the time stated in the price list the Riksbank applies from time to time. The Riksbank has the right to debit fees by effecting a transfer to the Riksbank directly from the RIX Participant's Principal Account.

5.2 Notification of fee changes

- (a) A notification of changes in fees is to be sent by the Riksbank to the RIX Participants at the latest 30 calendar days before the Riksbank begins to apply the new fees, except as follows otherwise from (b).
- (b) A notification of a change in fees may, however, be sent later than stated in (a) if the change in fees is occasioned by a legal act or other regulation

decided by the ECB, by amended legislation or by court decisions or judgements or decisions by a public authority and it is not possible to send notification within the time limit in (a).

5.3 Withdrawal from RIX

An Institution that ceases to be a RIX Participant is not entitled to either full or partial repayment of fees paid.

D Conditions for Monetary Policy Instruments

1 Market operations

1.1 General aspects

- (a) Market Operations can be carried out in the form of
 - (i) Repos,
 - (ii) Credit against collateral,
 - (iii) Outright Purchases or Sales,
 - (iv) Issues,
 - (v) FX Swaps,
 - (vi) Deposits, and
 - (vii) FX Transactions (excluding FX Swaps).
- (b) The Riksbank has the right to choose the form of transaction to be used for a Market Operation.
- (c) Market Operations invariably refer to Swedish krona to some extent.
- (d) Unless stated otherwise, when calculating interest, the Riksbank applies the day-count convention Actual/360.

1.2 Forms of transaction

1.2.1 Repos

- (a) A Repo involves one party (the seller) selling such securities as are eligible according to E.2.1 to the other party (the buyer) and simultaneously agreeing to repurchase Equivalent Securities at a specified price on a specified future date (a Repo).
- (b) Ownership of the security is transferred to the buyer in the first leg of the Repo. At the time of the repurchase the ownership of the securities returns to the seller.
- (c) All Repos entered into by a seller and a buyer in accordance with these Terms and Conditions constitutes a single business and contractual relationship between the parties.
- (d) Further conditions for Repos are contained in D.3.3.2 and E.2.

1.2.2 Credit

- (a) Credit involves the Riksbank lending Swedish krona against pledges in eligible collateral.
- (b) Further conditions for Credit are contained in B.5, E.1 and E.3.

- (c) For Fine-Tuning Transactions in the form of Credit, special interest terms may be applicable.

1.2.3 Outright Purchase or Sale

- (a) The Riksbank can buy or sell securities on the market.
- (b) Outright Purchase or Sale involves a transfer of ownership without the parties making a repurchase agreement.
- (c) Outright Purchase or Sale is carried out as agreed between the Riksbank and the Counterparty and in accordance with market practice for the security in question.
- (d) The circle of Counterparties that are entitled to participate in Outright Purchase or Sale is not restricted in advance (cf. D.1.3 (b)).

1.2.4 Issues

- (a) The Riksbank can issue Riksbank Certificates.
- (b) A Riksbank Certificate is a debt obligation of the Riksbank vis-à-vis the holder of the certificate, issued and held in a book-entry form in the Central Securities Depository in accordance with the Accounting of Financial Instruments Act (Lagen om kontoföring av finansiella instrument).
- (c) Riksbank Certificates are not subject to any restrictions on public trading.
- (d) Riksbank Certificates are issued at a discount. The issue price deviates from the nominal value depending on the interest rate.
- (e) Riksbank Certificates are redeemed at maturity at the nominal value.
- (f) The difference between the issue price and the nominal value of a Riksbank Certificate equals the interest accrued on the issued amount.

1.2.5 Foreign Exchange (FX) Swaps

- (a) The Riksbank can buy or sell Swedish krona against another currency and at the same time sell or buy back respectively Swedish krona forward at a specified repurchase date.
- (b) The Riksbank executes FX Swaps in currencies with good liquidity and in accordance with market practice.
- (c) In a FX Swap the Riksbank and the Counterparty agree on the transaction's swap points, which shall be the difference between the spot and the forward rate.
- (d) The swap points for Swedish krona against the foreign currency shall be calculated according to general market conventions.
- (e) FX Swaps are normally made with Counterparties in FX Transactions.

1.2.6 Deposits

- (a) The Riksbank can receive Deposits.
- (b) The Riksbank gives no collateral in exchange for Deposits.

- (c) The interest on Deposits shall be paid by (or to, in case of negative interest rate) the Riksbank at maturity.

1.2.7 FX Transactions (excluding FX Swaps)

- (a) FX Transactions can be executed
 - (i) through a spot transaction, i.e. purchase or sale of Swedish krona against another currency with delivery close to the transaction date, or
 - (ii) through a forward transaction, i.e. purchase or sale of Swedish krona against another currency with later delivery than a spot transaction.
- (b) The Riksbank usually executes these FX Transactions with Counterparties in FX Transactions.

1.3 Counterparties in Market Operations

- (a) Only Monetary Policy Counterparties can be Counterparties in market Operations unless otherwise indicated in (b) or (c).
- (b) The Riksbank can carry out Outright Purchase or Sale with Institutions other than Monetary Policy Counterparties.. The Riksbank can carry out also other Market Operations than Outright Purchase or Sale with Institutions other than Monetary Policy Counterparties if, in the Riksbank's assessment, there are special reasons.
- (c) The Riksbank normally makes FX Swaps and FX Transactions with Counterparties in FX Transactions.

2 Standing Facilities

2.1 Eligible Institutions

Only Monetary Policy Counterparties have access to the Standing Facilities.

2.2 Utilisation of the Standing Facilities

- (a) A Monetary Policy Counterparty that has a negative balance on its Loan Account at RIX's closing time shall be considered to have utilised Credit under the Standing Facilities.
- (b) A Monetary Policy Counterparty that has a positive balance on its Principal Account at RIX's closing time shall be considered to have made a Deposit under the Standing Facilities.

2.3 Conditions

2.3.1 Maturity

The maturity of Credit and Deposits under the Standing Facilities is overnight from the RIX closing time until the opening time the following Business Day.

2.3.2 Interest

- (a) The interest rates on Credit and Deposits under the Standing Facilities shall be published in press releases as well as on the Riksbank's website (www.riksbank.se).
- (b) Unless stated otherwise, when calculating interest the Riksbank applies the day-count convention Actual/360.

3 **Procedures for Market Operations**

3.1 **Tender procedures and bilateral procedures**

3.1.1 General aspects

- (a) Market Operations can be executed through tender procedures or bilateral procedures. Tender procedures will be used unless the Riksbank deems bilateral procedures to be more appropriate.
- (b) For Fine-Tuning Operations, transactions in the form of Outright Purchase or Sale, FX Swaps or FX Transactions, bilateral procedures will normally be used instead of tender procedures.
- (c) The Riksbank can choose between announcing a fixed rate (volume) tender and a variable rate (interest) tender.
- (d) In a fixed rate tender the Riksbank specifies the interest rate in advance and each participating Monetary Policy Counterparty bids the amount of money it wants to transact at that rate.
- (e) In a variable rate tender, each participating Monetary Policy Counterparty bids the amount of money and the interest rate at which it wants to enter into the transaction in question.
- (f) In a *fixed rate FX Swap tender*, the Riksbank fixes the Swap Points and each participating Monetary Policy Counterparty shall offer the amount in Swedish krona it wants to sell (and buy back) or buy (and sell back) at the fixed rate.
- (g) In a *variable rate FX Swap tender*, each participating Monetary Policy Counterparty shall offer an amount in Swedish krona and state the Swap Points at which the Counterparty wants to execute the transaction in question.

3.1.2 Announcement of tender conditions

- (a) The Riksbank asks for tenders by announcing the conditions for the transaction in advance in a public electronic data base.
- (b) As a rule the announcement under (a) shall provide information about:
 - (i) the date of the tender procedure,
 - (ii) the type of Market Operation (provision or absorption of liquidity and the form of transaction),
 - (iii) the maturity of the operation,

- (iv) the interest rate, the price or the Swap Points for the operation (fixed rate tender),
- (v) the minimum/maximum accepted interest rate, price or Swap Points (where applicable),
- (vi) the method of allotment (where applicable) (see D.3.1.4.4),
- (vii) the minimum/maximum accepted bid amount (where applicable),
- (viii) the start date and maturity date of the transaction (where applicable) or the value date and maturity date of the instrument (for Issues),
- (ix) the currencies involved in a FX Swap and the currency, the amount of which is kept fixed in the swap,
- (x) the spot exchange rate used for the calculation of bids in FX Swaps,
- (xi) the latest time or the time schedule for the submission of bids,
- (xii) the denomination of certificates (for Issues),

3.1.3 Submission of tender bids

- (a) A Monetary Policy Counterparty shall follow the Riksbank's instructions for tender bids for the form of transaction in question.
- (b) In a *fixed rate* tender a Monetary Policy Counterparty shall state the amount of money it wants to transact. In a fixed rate FX Swap tender the Counterparty shall state the amount of money it wants to transact with the Riksbank in the currency kept fixed.
- (c) In a *variable rate* tender a Monetary Policy Counterparty may submit bids for up to ten different levels of interest rate, price or Swap Point. For each bid the Counterparty shall state the amount of money it is willing to transact and the respective interest rate, price or Swap Point for that transaction. For Issues, the Riksbank can decide that a tender bid shall be expressed by Counterparties quoting a price instead of an interest rate.
- (d) A Monetary Policy Counterparty shall have a sufficient amount of securities or currency to be able to settle its bids. A Counterparty that is unable to deliver or pay its undertakings shall pay interest on the part of the delivery or payment that has not been executed at a rate that equals the current reference rate as defined in Section 9 of the Interest Act (9 § Räntelagen) plus eight (8) percentage points. Interest shall be charged for the same period as was intended for the transaction in question.
- (e) A bid can be *revoked* or *changed* up to the tender submission deadline but not thereafter.
- (f) The Riksbank rejects bids that;
 - (i) are received after the specified deadline,
 - (ii) exceed the maximum bid amount or the maximum accepted interest rate, price or Swap Points, or
 - (iii) are below the minimum bid amount or the minimum accepted interest rate, price or Swap Points.

- (g) The Riksbank may reject bids that are incomplete or do not follow the Riksbank's instructions.

3.1.4 Allotment procedures

3.1.4.1 *Fixed rate tenders*

- (a) In the allotment of a fixed rate tender, the bids received from the Monetary Policy Counterparties are added together.
- (b) If the aggregate amount bid according to (a) exceeds the total amount to be allotted, the Counterparties shall be satisfied pro rata, according to the ratio of the amount to be allotted to the aggregate amount bid, with the amount allotted to each Counterparty rounded to the nearest million Swedish krona.

3.1.4.2 *Variable rate tenders*

- (a) In transactions where the banking system needs to *borrow* (or receive payment in Repos) at a variable interest rate, allotment is arranged as follows:
 - (i) The bids shall be listed in diminishing order of the offered interest rates.
 - (ii) The bid with the highest interest rate shall be accepted with priority, followed by the bid with the next highest interest rate and so on until the total borrowing requirement is exhausted.
 - (iii) If, at the lowest interest rate level accepted, the aggregate amount bid exceeds the remaining amount to be allotted, the remaining amount shall be allocated pro rata among the bids according to the ratio of the remaining amount to be allotted to the total amount bid at the lowest accepted rate.
 - (iv) The allotments shall be rounded to the nearest million Swedish krona.
- (b) In transactions where the banking system needs to deposit at a variable rate, allotment is arranged as follows:
 - (i) The bids shall be listed (a) in increasing order of offered interest rates or (b) in diminishing order of offered prices.
 - (ii) The bid with the lowest interest rate or highest price respectively shall be accepted with priority, followed by the bid with the next lowest interest rate and next highest price respectively and so on until the total borrowing requirement is exhausted.
 - (iii) If, at the highest interest rate (lowest price) level accepted, the aggregate amount bid exceeds the remaining amount to be withdrawn, the remaining amount shall be allocated pro rata among the bids according to the ratio of the remaining amount to be allotted to the total amount bid at the highest interest rate (lowest price) level accepted.
 - (iv) The allotments shall be rounded to the nearest million Swedish krona.

3.1.4.3 Allotment of FX Swaps

- (a) The procedure for *fixed rate FX Swaps* tenders corresponds to that under D.3.1.4.1.
- (b) In *variable rate FX Swap* tenders, allotment is based on the bids that are most favourable for the Riksbank in terms of the offered interest rate differential between the foreign currency and Swedish krona.

3.1.4.4 Method of allotment

- (a) For variable rate tenders, the Riksbank can apply the allotment procedure with either a single rate or multiple rates.
- (b) In a single rate procedure, the interest rate, the price or the Swap point for all accepted bids is the same as the marginal interest rate, the marginal price and the marginal Swap Point, respectively (i.e. the level at which the total amount to be allotted is exhausted).
- (c) In a multiple rate procedure, allotment is made at the interest rate, price or Swap Point the Monetary Policy Counterparty offered in its bid.

3.1.5 Announcement of allotments

The results of tenders are announced by the Riksbank in the form of a public message in an electronic data base. As a rule, the announcement shall contain information about:

- the date of the tender operation,
- the type of Market Operation,
- the maturity of the transaction,
- the currencies involved (in the case of FX Swaps),
- the total amount allotted,
- the percentage of the total amount bid that has been allotted,
- the spot exchange rate (in the case of FX Swaps),
- the accepted interest rate, price or Swap Points (in the case of variable rate tenders),
- the lowest and highest offered rates and the weighted average allocation rate (in the case of multiple rate allotment procedures), and
- the start date and maturity date of the transaction (if applicable) or the value date and maturity date of the instrument (in the case of Issues).

3.2 Procedures for bilateral transactions

- (a) Bilateral procedures involve the Riksbank executing a transaction with one or more Counterparties without a tender.

- (b) In bilateral procedures, either the Counterparties can be contacted directly by the Riksbank or the transactions are executed through stock exchanges or market agents.
- (c) As a rule, bilateral transactions will not be announced publicly.
- (d) Bilateral procedures for Fine-Tuning Operations are mainly conducted at the request of the Counterparty during a time period set by the Riksbank.
- (e) A Monetary Policy Counterparty shall have a sufficient amount of securities or currency to be able to carry out the transaction. A Counterparty that is unable to deliver or pay its undertakings shall pay interest on the part of the delivery or payment that has not been executed at a rate that equals the current reference rate as defined in Section 9 of the Interest Act (9 § Räntelagen) plus eight (8) percentage points. Interest shall be charged for the same period as was intended for the transaction in question.

3.3 Settlement procedures

3.3.1 Credit (Market Operations and Standing Facilities)

- (a) Provisions concerning credit and credit lines are contained in B.5.
- (b) Payment and settlement of Credit in Market Operations is settled on the Counterparty's Principal Account and Loan Account through the agency of the Riksbank. Repayment of credit is made by a transfer in RIX addressed to the Riksbank
- (c) C.3.5 contains provisions for sanctions for Institutions that do not have access to Credit under the Standing Facilities and which fail to settle a negative end-of-day balance on their Loan Account.

3.3.2 Repos

- (a) Additional conditions for Repos are contained in E.2.
- (b) Obligations to deliver securities in Repos are settled in accordance with the procedures and rules that apply to the securities settlement system in question.
- (c) Obligations to pay for securities in Repos are settled in accordance with the procedures and rules that apply to the securities settlement system in question and to Payments in RIX.

3.3.3 FX Swaps

- (a) The first leg in a FX Swap (i.e. when the Riksbank sells or buys Swedish krona) is settled on the agreed value date
 - (i) by debiting or crediting the relevant RIX account in Swedish krona, and
 - (ii) local foreign time by crediting the Riksbank's or Counterparty's account in the country in question in the foreign currency.
- (b) The second leg in a FX Swap (i.e. when the Riksbank buys back or sells back Swedish krona) is settled in the way that corresponds to (a) on the agreed value date.

3.3.4 Issues

- (a) The Riksbank's commitment to deliver securities in an Issue (of Riksbank Certificates) is settled in accordance with the procedures and rules that apply to the securities settlement system in question.
- (b) The Counterparties' commitments to pay for the issued securities are settled in accordance with the procedures and rules that apply to the securities settlement system in question and to transfers in RIX.

3.3.5 Outright Purchase or Sale

- (a) Commitments to deliver securities for Outright Purchase or Sale are settled in accordance with the procedures and rules that apply to the securities settlement system in question.
- (b) Payment commitments for Outright Purchase or Sale are settled in accordance with the procedures and rules that apply to the securities settlement system in question and to transfers in RIX.

3.3.6 Deposits

- (a) Deposits are settled by crediting the Riksbank's Principal Account and debiting the Counterparty's Principal Account with the amount in question.
- (b) At maturity, the amount of Deposits in accordance with (a) is credited to the Counterparty's LOM account that according to Annex H3 Instructions RIX is used for this type of transfer and debited from the Riksbank's corresponding account.

3.3.7 FX Transactions (excluding FX Swaps)

- (a) The transaction is settled on the agreed value date
 - (i) by debiting or crediting the relevant RIX account in Swedish krona, and
 - (ii) local foreign time by crediting the Riksbank's or Counterparty's account in the country in question in the foreign currency.

4 FX Transactions outside the Monetary Policy Operational Framework

The Riksbank may execute FX transactions outside of the Monetary Policy Operational Framework. These transactions are primarily executed with Counterparties in FX Transactions. The detailed terms for such transactions are determined by market practice and in bilateral agreements between the Riksbank and the Counterparty.

5 Deviating terms

The Riksbank may, for monetary policy purposes, execute transactions in a way differing from that described by these Terms and Conditions. Such transactions shall be considered to be a part of the Monetary Policy Operational Framework.

E Conditions for collateral, etc.

1 Securities as collateral for Credit

1.1 Eligible securities

- (a) The Riksbank can, subject to the exceptions described in 1.1 (b) and the limitations described in 1.1 (c) below, accept as collateral for Credit Swedish and foreign debt instruments that have a credit rating as described in Annex H4 Collateral Instructions, on condition that the security:
 - (i) meets the listing requirements described in Annex H4 Collateral Instructions,
 - (ii) has the minimum outstanding amount stated in Annex H4 Collateral Instructions,
 - (iii) has been issued in one of the currencies approved in accordance with the list of approved currencies in Annex H4 Collateral Instructions,
 - (iv) has been issued and registered in a country that is included in the list of approved countries in Annex H4 Collateral Instructions,
 - (v) has been issued by an issuer that has its legal domicile in a country that is included in the list of approved countries in Annex H4 Collateral Instructions, and
 - (vi) is the object of an arrangement approved by the Riksbank for managing collateral as described in more detail in Annex H4 Collateral Instructions.
- (b) A debt instrument that meets the requirements in 1.1 (a) is not accepted as collateral by the Riksbank if the debt instrument:
 - (i) is issued by the Counterparty or by a company with close links to the Counterparty (for definitions, see Annex H4 Collateral Instructions),
 - (ii) is linked to equity (see Annex H4 Collateral Instructions),
 - (iii) has subordinated payment rights (see Annex H4, Collateral Instructions), or
 - (iv) is an asset-backed security (ABS).
- (c) The adjusted market value (i.e. the market value minus haircuts) for certain types of security may only comprise a limited share of a Counterparty's total adjusted market value. See the securities this applies to and the current limitations in Annex H4 Collateral Instructions.
- (d) The Riksbank shall supply lists of securities that are approved by the Riksbank as collateral for Credit. These lists will be regularly updated by the Riksbank.

1.2 Valuation and risk management

- (a) The Riksbank checks that the amount of Credit for each Counterparty does not exceed the Counterparty's credit line according to B.5(c).

- (b) Control in accordance with (a) shall be exercised with the following methods for valuation and risk control.

1.2.1 Market valuation

- (a) Securities are valued in accordance with the provisions in Annex H4 Collateral Instructions.

1.2.2 Haircuts

- (a) The market value of securities is adjusted in accordance with the following haircuts. Haircuts for price risk, FX risk and special haircuts for covered bonds issued by the Counterparty or by a company with close links to the Counterparty are described in Annex H4 Collateral Instructions.
- (b) The Riksbank can decide on further valuation haircuts if necessary in view of the securities' risk properties.

1.2.3 Additional collateral

The Riksbank has the right to request additional collateral if the adjusted market value is lower than the utilised Credit in accordance with Annex H4 Collateral Instructions.

1.3 Pledging securities

Securities used as collateral for Credit shall be pledged under the following conditions.

1.3.1 Pledge accounts

An account for pledged securities (Pledge Account) shall be opened with a central securities depository licensed under the Act (1998:1479) on Accounting of Financial Instruments (Lagen (1998:1479) om kontoföring av finansiella instrument), or with a central securities depository abroad that is subject to rules and systems, as well as to arrangements for pledging or transfer to the Riksbank, that the Riksbank considers sufficiently secure.

1.3.2 Grant of Pledge

The Counterparty shall sign a grant of pledge approved by the Riksbank.

1.3.3 Third party pledge

If there are special reasons, the Riksbank can accept pledging of securities by a third party as collateral for a Counterparty's commitments according to these Terms and Conditions.

1.3.4 General right of pledge

Pledged securities shall also constitute collateral for all commitments that the Counterparty has or incurs to the Riksbank, including:

- the Counterparty's liability to compensate the Riksbank for costs and work in connection with acquisition, custody and realisation of the collateral, including costs of payment reminders and other collection measures as well as litigation costs, both with respect to the secured undertakings and to the realisation of pledge securities,

- the Counterparty's liability to pay the deficit that arises through changes in market value of Purchased Securities in accordance with E.2.2.4 (a), as well as
- the Counterparty's liability to pay net amounts to the Riksbank after final settlement procedures in accordance with E.2.3.5.

1.3.5 Sub-pledging

In pledged securities, further rights of pledge may not be granted to a third party.

1.3.6 Release of pledged securities

At the request of a pledger, the Riksbank can return pledged securities if the remaining collateral is sufficient to cover outstanding Credit as well as accrued interest and other undertakings according to these Terms and Conditions.

1.3.7 Encumbrances

The pledger guarantees that pledged securities are owned by the Pledger and are neither pledged nor encumbered with other rights in favour of a third party.

1.3.8 Substitution of collateral, etc.

- (a) A pledger is not entitled to substitute a pledged security without the Riksbank's consent in each particular case.
- (b) The Riksbank has the right to request that a pledger replaces a pledged security with another prior to maturity.

1.3.9 Earnings and maturity

- (a) The Riksbank shall have continued right of pledge in earnings detached or paid out from pledged securities and in payments from pledged securities that have matured.
- (b) The Riksbank can credit the Counterparty's Principal Account, unless otherwise stated under (e).
- (c) The Riksbank has the right to retain the payments referred to under (b) until the utilised Credit and other liabilities have been reduced to such an extent that in the Riksbank's opinion the payment amount is not required as collateral.
- (d) The Riksbank does not pay interest on payment amounts retained in accordance with (c).
- (e) A pledger shall notify how a disbursement to the pledger shall take place if the payment concerns foreign currency or if the pledger wishes the payment to be made to a different account from the Principal Account.

1.3.10 Enforcement of pledges

- (a) The provisions in Chapter 10, Section 2, of the Commercial Code shall not be applicable in any case to pledging under these Terms and Conditions.

- (b) If a Counterparty does not meet its obligation to pay in accordance with the Terms and Conditions, the Riksbank may immediately and without further consultation with the Counterparty enforce the pledge and realise the securities in the way and at the time that the Riksbank deems appropriate.

1.3.11 Special provisions on pledging for securities settlement at Euroclear Sweden

- (a) In order for a credit to be granted to a RIX Participant in accordance with C.4.1 (c), a grant of pledge approved by the Riksbank must have been given to the Riksbank. Through this grant of pledge, a pledge is granted on the securities which from time to time are registered on one or more Pledge Accounts for Settlement of Securities (referred to as Pledge Account in Euroclear Sweden's rules) and which are assigned by the pledger in the way described in more detail in Euroclear Sweden's rules, whereupon Euroclear Sweden receives such assignment on behalf of the Riksbank.
- (b) The RIX participant has the right to dispose of pledged securities registered in Pledge Accounts for Settlement of Securities only to the extent the Central Bank Credit has been settled or that any outstanding Central Bank Credit is secured by the remaining securities in the Pledge Account for Settlement of Securities which correspond to the Riksbank's collateral requirement in accordance with Section E.2 in Terms and Conditions. Even if the prerequisites of the preceding sentence are not complied with, transfer of pledged securities may take place for securities settlement at Euroclear Sweden, whereupon the Riksbank receives a security interest in the RIX Participant's claim for settlement payment instead of the transferred securities. A transfer of this kind may only take place if the RIX Participant's claim for settlement payment due to the transfer, together with the remaining collateral value in the Pledge Account for Settlement of Securities amounts to at most the value of the outstanding Central Bank Credit. After a transfer of this kind has been cleared in Euroclear Sweden's settlement system, the RIX Participant cannot dispose of the amount corresponding to the claim pledged accordingly on the settlement payment even for continued settlement, before the settlement time when the Central Bank Credit is to be settled.

1.3.12 Special provisions on securities the Riksbank holds on behalf of RIX Participants

In cases where the Riksbank holds securities with a central securities depository or other custodian on behalf of a RIX Participant in accordance with the Terms and Conditions, the RIX Participant shall be responsible for ensuring that all requisite tax documentation regarding these securities is presented to the central securities depository or custodian within the prescribed time.

2 Repos

2.1 Eligible securities

- (a) Subject to the limitations that follow from (b), the Riksbank can accept as Transferable Securities in Repos eligible Swedish or foreign debt instruments that:
 - (i) meet the requirements set out under E.1.1 (a) (i), (ii), (iv), (v) and (vi),

- (ii) are booked with Euroclear Sweden AB and included in the VPC system's PM clearing, and
 - (iii) are denominated in Swedish krona.
- (b) For Repos the Riksbank does not accept debt instruments that are not eligible as collateral in accordance with E.1.1(b).
 - (c) For Repos the Riksbank does not accept debt instruments that are covered by limitations in accordance with E.1.1(c). See the securities this applies to and the current limitations in Annex H4 Collateral Instructions.

2.2 Valuation and risk management

The Riksbank applies the following methods for valuation and risk management for securities in Repos.

2.2.1 Market valuation

Securities are valued in accordance with E.1.2.1(a).

2.2.2 Haircut

The market value of securities is adjusted with haircuts in accordance with E.1.2.2.

2.2.3 Pricing

The cash amount (including accrued interest) that a Monetary Policy Counterparty proposes for each security the Counterparty sells in a Repo may not exceed the security's adjusted market value according to E.2.2.2.

2.2.4 Adjusted market value of Transferable Securities

- (a) If, in a daily valuation, the adjusted market value of the Purchased Securities the Riksbank has purchased from the Counterparty is less than the allotted amounts plus accrued interest, an obligation to pay these amounts will be part of the obligations for which the general lien according to E.1.3.4 applies and the Counterparty's credit line in accordance with B.6 will thereby decline by a corresponding amount. The Riksbank has the right to request additional collateral if the amount, of part thereof is not secured in this way.
- (b) If the adjusted market value of the Purchased Securities exceeds the allotted amounts plus accrued interest, the Riksbank has the right to extend the Counterparty's credit line in accordance with B.6 by a corresponding amount.
- (c) The Riksbank shall, at the request of the Counterparty, notify of any change in the credit line according to E.2.2.4(a) and (b).
- (d) The Counterparty does not have the right to regain Transferable Securities during the period of the Repo other than is stated in E.2.3.4.
- (e) Delivery of securities from the Counterparty to the Riksbank in accordance with (a) shall be done no later than at the first settlement time that falls due four hours after the Counterparty receives the request to deliver securities.

2.3 Other conditions for Repos

2.3.1 Initiation and confirmation

- (a) Not later than 1 p.m. on the day of the announcement of the results of the tender, a Monetary Policy Counterparty shall confirm a Repo in writing via SWIFT or fax. The confirmation shall be formulated substantially in accordance with Annex H7.
- (b) If terms in the confirmation conflict with those in the Terms and Conditions, the confirmation shall have priority only in relation to the Repo to which the confirmation refers.
- (c) The seller in a Repo shall transfer the Purchased Securities to the buyer against payment of the Purchase Price at the time, in the manner and on the terms prescribed in the confirmation and in these Terms and Conditions so that settlement of the transfer can be made on the Purchase Date.
- (d) The aggregate Purchase Price for all Purchased Securities that a Monetary Policy Counterparty offers in a Repo shall be equal to the amount allotted to the Counterparty.
- (e) On the Repurchase Date the buyer in a Repo shall, in accordance with the terms of the confirmation and these Terms and Conditions, transfer Equivalent Securities back to the seller against payment of the Repurchase Price by the seller to the buyer.
- (f) On the Repurchase Date any changes in the credit line for the Counterparty made in accordance with E.2.2.4 shall be restored.

2.3.2 Earnings and maturity

- (a) If an income record date occurs during the term of a Repo, on the income payment date the buyer shall credit the seller's Principal Account with an amount equivalent to the income.
- (b) Under (a) above, income refers to income without any deduction for taxes or duties or any equivalent reduction.

2.3.3 Encumbrances

The Counterparty and the Riksbank are responsible for ensuring that at the time of purchase or substitution of securities in Repos, they have an unrestricted right to dispose of the securities in question and that the other party receives them with ownership free from any form of encumbrance, demands or rights in favour of a third party.

2.3.4 Substitution

- (a) If a party so requests and the other party so agrees, a Repo can be modified at any time during its term by the buyer returning securities equivalent to Purchased Securities to the seller in exchange for the transfer by the seller of other securities (New Purchased Securities) to the buyer (substitution).
- (b) The adjusted market value of New Purchased Securities on the substitution date shall at least equal the adjusted market value of the securities for which the New Purchased Securities are substituted.

- (c) Substitution of securities presupposes a prior separate agreement between the Riksbank and the Counterparty, specifying the proportion of the securities in a Repo that shall be substituted and which New Purchased Securities are acceptable. Confirmation of the substitution shall be made in accordance with E.2.3.1.
- (d) Notwithstanding (c), the Riksbank has the right to request the substitution of securities if Purchased Securities included in a Repo cease to be eligible securities in accordance with E.2.1.
- (e) A substitution is subject to D.3.3.2, E.2.2.3 and E.2.3.3.
- (f) In the event of substitution in a Repo, the conditions for the Repo shall continue to apply as though the Purchased Securities in that Repo consisted of or included New Purchased Securities instead of the securities that were originally transferred.

2.3.5 Final settlement, etc. upon exclusion or suspension

- (a) If the Riksbank has decided to exclude or suspend the Counterparty in accordance with B.7.1 or B.7.3, (b) – (e) below shall apply from the time when the decision comes into force.
- (b) The Repurchase Date for every Repo in accordance with these Terms and Conditions shall be deemed to occur immediately and the performance of the parties' respective obligations as regards the repurchase shall be regulated entirely by the provisions under (c) below.
- (c)
 - (i) The Market Value at Exclusion or Suspension of the Equivalent Securities that shall be included in the repurchase and the Repurchase Prices that shall be paid, shall be established by the Riksbank for all Repos as of the Repurchase Date.
 - (ii) On the basis of the established sums, the Riksbank shall calculate the delivery and payment obligations that are due from each party (on the understanding that each party's claim to receive Equivalent Securities equals the Market Value at Exclusion or Suspension of these securities). These obligations shall be offset against one another so that only a single net balance shall be payable between the parties. This payment shall be made on the next following Business Day.
 - (iii) In connection with the execution of delivery and payment obligations in accordance with (ii), any changes in the Counterparty's credit line in accordance with E.2.2.4 shall be restored.
- (d) The Counterparty is liable to compensate the Riksbank for all reasonable costs, including legal expenses, that have arisen from maintaining the Riksbank's rights connected with exclusion or suspension, together with interest thereon at a rate equivalent to the Riksbank's current interest rate for credit under the Standing Facilities.
- (e) In the event of exclusion or suspension the Riksbank has the right to decide whether the securities included in Repos shall be sold or retained at the Repurchase Date. In the case that the credit line cannot be restored in accordance with (c)(iii), the Riksbank has the right to retain securities to a corresponding value.

- (f) If, on the Repurchase Date, the Counterparty, as the seller, has not performed its obligation to pay the Repurchase Price, or, as the buyer, has not performed its obligation to deliver Equivalent Securities, the Riksbank has the right, instead of considering exclusion or suspension, to decide a new repurchase date.

2.3.6 Failure at the commencement of a Repo

- (a) If the Counterparty, as the seller, has not delivered Purchased Securities to the Riksbank, as the buyer, on the Purchase Date, the Riksbank can
 - (i) if the Riksbank has paid the Purchase Price, require the Counterparty immediately to repay the equivalent amount, and
 - (ii) as long as the Counterparty's failure to deliver Purchased Securities continues, terminate that Repo. If the Repo is terminated, the obligations of the Counterparty and the Riksbank, respectively, under that specific Repo shall cease to apply and the Counterparty is obliged to compensate the Riksbank in accordance with the Riksbank's instructions.
- (b) If the Counterparty, as the buyer, has not paid the Purchase Price to the Riksbank, as the seller, on the Purchase Date, the Riksbank can
 - (i) if the Riksbank has delivered Purchased Securities, require the Counterparty immediately to return Equivalent Securities, and
 - (ii) as long as the Counterparty's failure to pay the Purchase Price continues, terminate that Repo. If the Repo is terminated, the obligations of the Counterparty and the Riksbank, respectively, under that specific Repo shall cease to apply.

3 Foreign currency

Within the framework of these Terms and Conditions, in certain cases the Riksbank can accept *foreign currency* as collateral for Credit in Swedish krona in accordance with the conditions specified under E.3.1. The Riksbank can also execute FX Swaps (D.1.2.5) where one leg in the transaction is in *foreign currency*. FX Swaps are subject to the conditions under D.4.3.

3.1 Credit against collateral in foreign currency

If there are special reasons, as *collateral for Intraday Credit* the Riksbank can accept account balances denominated in foreign currency that meet the requirements in E.1.1(a)(iii) in the ways and conditions stated under E.3.1.1 and E.3.1.2. In such cases, the valuation haircuts established by the Riksbank in accordance with Annex H4 Collateral Instructions shall also be applied.

3.1.1 Pledging of account balances deposited in correspondent banks

As collateral for Intraday Credit the Riksbank can accept account balances deposited in a foreign correspondent bank in accordance with the following conditions.

3.1.1.1 Account with a foreign central bank

The pledger shall have an account in the foreign currency in question with a foreign central bank nominated by the Riksbank.

3.1.1.2 Grant of Pledge

- (a) The pledger shall sign a grant of pledge, formulated by agreement in each particular case.
- (b) The grant of pledge under (a) shall comply with the rules and systems that are applicable in the foreign jurisdiction in question.
- (c) If the Riksbank requires a legal opinion to certify what is specified in (b), the Counterparty shall defray the costs of such an opinion.

3.1.1.3 Third party pledge

If there are special reasons, the Riksbank can accept that a third party pledges account balances denominated in foreign currency as collateral for a Counterparty's Credit in Swedish krona and other commitments according to these Terms and Conditions.

3.1.1.4 Credit lines

A pledging does not provide access to additional credit until the foreign central bank has notified the Riksbank that the pledge has been made.

3.1.1.5 General right of pledge

The pledged account balance shall also constitute collateral for other commitments to the Riksbank the Counterparty has or incurs as RIX Participant or Monetary Policy Counterparty, such as

- liability to compensate the Riksbank for costs and work in connection with acquisition, custody and realisation of the collateral, including costs of payment reminders and other collection measures as well as litigation costs, both with respect to the secured undertakings and to the realisation of pledge securities,
- liability to pay the deficit that arises through changes in market value of Purchased Securities in accordance with E.2.2.4 (a), as well as
- liability to pay net amounts to the Riksbank after final settlement procedures in accordance with E.2.3.5.

3.1.1.6 Sub-pledging and other procedures

- (a) A pledger may not:
 - (i) grant further rights of pledge in pledged account balances to a third party, or
 - (ii) otherwise dispose of a pledged account balance without the consent of the Riksbank in each particular case.

- (b) The Riksbank can permit the debiting of the account or the release of funds in favour of the pledger if other collateral sufficiently covers utilised Credit and other commitments in accordance with the Terms and Conditions.

3.1.1.7 Earnings

Earnings from pledged account balances are also covered by the pledge.

3.1.1.8 Enforcement of pledges

If a Counterparty does not fulfil its payment obligations in accordance with the Terms and Conditions, the Riksbank may immediately utilise the pledged account balance.

3.1.1.9 Correspondent bank agreement

Further provisions for the pledging routines are agreed with the foreign central bank in question in each particular case.

3.1.2 Transfer of euro balances to the Riksbank

The Riksbank can accept holdings in euro with the Riksbank as collateral for a Counterparty's Intraday Credit (pledge in own debt). In such cases the valuation haircuts for FX risk, at each time published on the Riksbank's website (www.riksbank.se), will apply

3.1.2.1 Agreement on transfer of euro as collateral

The Counterparty shall sign a special grant of pledge, pledging as collateral an account balance in euro which the Counterparty holds on a special account with the Riksbank. E.3.1.1.2. (a), E.3.1.1.5, E.3.1.1.6. shall apply when transferred amounts in euro are used as collateral.

3.1.2.2 Final settlement

If a Counterparty is declared bankrupt, or for some other reason does not meet its obligation to pay in accordance with the Terms and Conditions, the Riksbank may immediately and without further consultation with the Counterparty or anyone else utilise the entire transferred amount or part thereof pursuant to a final settlement determined by the Riksbank. The transferred amount shall be offset against the Riksbank's claim on the Counterparty pursuant to the average exchange rate on the date of the final settlement.

4 Costs

The Riksbank may debit the Counterparty for costs that arise for or that are debited the Riksbank as a consequence of the Counterparty providing collateral.

Transitional regulations

1. Primary Monetary Policy Counterparty will switch over to belonging to the counterparty category Monetary Policy Counterparty as of the day on which these Terms and Conditions enter into force. No new application under B.4 is required.
2. Restricted Monetary Policy Counterparty will be cancelled as a counterparty category when these Terms and Conditions enter into force. A new application will be required from such Counterparties for continued participation in the Monetary Policy Operational Framework.
3. Special requirements for Monetary Policy Counterparties according to B.3.2.3 will not be applicable to Monetary Policy Counterparties until 6 months after these Terms and Conditions have entered into force. However , for those Counterparties that have previously belonged to the counterparty category Primary Monetary Policy Counterparty, B.3.2.3 (a) and the reporting requirement concerning the *size of the turnover in the money and bond markets* according to B.3.2.3 (b) shall be applicable from the day these Terms and Conditions enter into force but the reporting requirement concerning *information on transactions on the money market* according to B.3.2.3 (b) will not be applicable until 6 months after these Terms and Conditions have entered into force.
4. Clause B.3.2.2 (f) is not applicable to RIX Participants until 6 months after these Terms and Conditions have entered into force.