



## PRESS RELEASE

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# Riksbank considering changes to operational framework for monetary policy

*The Riksbank is considering making changes to the operational framework for monetary policy. This is to make the framework simpler and more flexible. The Riksbank will, as before, set the level of the policy rate. The changes, which are not intended to have any monetary policy effects, are planned for implementation in two stages, starting in October 2019. The Riksbank is now gathering views on the proposed changes from the parties concerned.*

The payment system is undergoing major changes. For instance, there is increased interest in becoming a monetary policy counterparty and developments on the payment market with an increasing number of instant payments require longer opening hours in the Riksbank's RIX payment system. The operational framework for monetary policy therefore needs to become simpler and more flexible.

### **Proposal to cease daily market operations**

Amendments to operational framework to be made in two stages. In stage one, which is proposed to be implemented at the beginning of October, the Riksbank is considering, for example:

- ceasing its daily manual fine-tuning transactions,
- setting the deposit rate on the standing deposit facility at the policy rate minus 0.10 percentage points,
- allowing the lending rate to remain at, or close to, the policy rate plus 0.75 percentage points.

If the daily manual administration is abandoned, the operational framework will be automated. The interest rate corridor will be narrower than it is today, which means that the overnight rate should continue to be close to the policy rate.

In the second stage, the lending rate for the standing lending facility is set at the policy rate plus 0.10 percentage points. This is proposed to be done within two years of the operational framework becoming automated.

**The changes are not intended to have any monetary policy effects**

The proposed changes are not intended to have any monetary policy effects, as the Riksbank can continue to ensure that the overnight rate is close to the policy rate.

**The Riksbank is now asking for comments on the proposed changes**

The Riksbank is now inviting the parties concerned, primarily the monetary policy counterparties but also other interested parties, to comment on the proposed changes to the operational framework over the summer.

Further information on the proposals is described in the Riksbank's consultation "The Riksbank's new operational framework for monetary policy".