

PRESS RELEASE



DATE: 18 November 2020
NO.: 46
CONTACT: Press Office, tel. +46 (0)8-787 0200

SVERIGES RIKSBANK
SE-103 37 Stockholm
(Brunkebergstorg 11)

Tel +46 8 787 00 00
Fax +46 8 21 05 31
registratorn@riksbank.se
www.riksbank.se

Design of the Riksbank's new reference rate decided

The Riksbank is to begin publishing a transaction-based reference rate for the shortest maturity in SEK. The Executive Board has now decided on the design for the new reference rate, after completing a consultation process. In January 2021, the Riksbank will begin a test period when a preliminary reference rate will be published. The official reference rate will begin to be published after the test period has been completed.

During 2020, the Riksbank has been working on a suitable definition for the new reference rate for the shortest maturity in Swedish kronor. The Executive Board has now decided on the definition for the new reference rate. This definition includes transaction sample, calculation methods and robustness requirements for the underlying transaction data.

In October 2020, the Riksbank sent out a consultation document regarding the design of the new reference rate. The majority of the referral bodies supported the proposal that the new reference rate shall be based on transactions involving deposits in Swedish krona overnight with the Riksbank's monetary policy counterparties. However, they also put forward a number of suggestions for changes, particularly with regard to the calculation method. The Riksbank has taken these comments into consideration and made a number of changes to the definition, compared with the proposal sent for consultation. The design for the new reference rate now decided on meets international requirements and guidelines for transaction-based reference rates and is also well adapted to the Swedish market and to international practice.

The Riksbank will begin a test period in January 2021, when a preliminary rate will be published, before beginning to publish the official reference rate. The preliminary rate must not be used in pricing of financial contracts.