

PRESS RELEASE



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The Riksbank is making the operational framework more flexible

In September 2019, the Riksbank began work on amending the monetary policy operational framework so that it would be more flexible and robust. On 8 June 2022, the changes in the final stage will be implemented. They are not intended to affect the direction of monetary policy.

In 2019, the Riksbank decided to change the monetary policy operational framework in two stages, as developments in the Riksbank's environment, mainly in the payment market, with new requirements for longer opening hours and access to the payment system, make new demands on the operational framework. The first stage of changes was carried out on 9 October 2019. On 8 June 2022, the second stage will be implemented, which will enable more flexible management of collateral and interest-rate setting of credits from the Riksbank. The changes involve:

- The Riksbank's repo rate will change its name to the Riksbank's policy rate.
- The requirements for collateral for loans in the Riksbank's standing lending facility will be tightened.
- A supplementary liquidity facility with looser security requirements will be introduced and the interest rate for this will be set at 0.75 percentage points above the policy rate.

The name "repo rate" refers to a specific instrument, monetary policy repos, which the Riksbank has not used since 2008. With the change of name to the Riksbank's policy rate, the interest rate will have a more appropriate name. The function and purpose of the interest rate, to steer the overnight rate and to influence other interest rates in the economy in order to achieve the inflation target, remains unchanged.



The requirements for collateral in the standing marginal lending facility are tightened in order to give the Riksbank's monetary policy counterparties an incentive to primarily use government securities and central bank claims as collateral for credit from the Riksbank and, secondly, riskier assets, and to strengthen their incentive to manage their liquidity in the financial markets.

The supplementary liquidity facility is being introduced to enable monetary policy counterparties to borrow overnight from the Riksbank against other collateral accepted by the Riksbank.

The changes to the Riksbank's operational framework are of a technical nature and are not intended to affect the direction of monetary policy. They are being implemented so that Riksbank can continue to affect market rates effectively. Read more about the changes to the operational framework in the decision guidance.