

CONDITIONS FOR THE RIKSBANK'S TEMPORARY MONETARY POLICY COUNTERPARTIES



■ Conditions for the Riksbank's Temporary Monetary Policy Counterparties

According to the Riksbank's Terms and conditions for RIX and monetary policy instruments (RIX Terms and Conditions), the Riksbank can conduct Market operations with institutions other than Monetary Policy Counterparties if the Riksbank assesses that special reasons to do so are present. These Conditions for the Riksbank's Temporary Monetary Policy Counterparties (Conditions TMPC) will apply to such Counterparties.

Institutions that are eligible to apply to become Temporary Monetary Policy Counterparties

1. Institutions that are credit institutions domiciled in Sweden and that fulfil the requirements of Conditions TMPC and the relevant requirements in the Terms and Conditions for RIX and monetary policy instruments (RIX Terms and Conditions) are eligible to apply to become Temporary Monetary Policy Counterparties to the Riksbank.
2. Credit institution here refers to institutions as defined in Article 4.1 part 1 of the Regulation (EU) No 575/13 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

Conditions

3. For Temporary Monetary Policy Counterparties the Conditions TMPC and the relevant parts of the Terms and Conditions for RIX and monetary policy instruments (RIX Terms and Conditions) will apply, see the Riksbank's website, <https://www.riksbank.se/globalassets/media/rix/engelska/2019/terms-and-conditions-for-rix-and-monetary-policy-instruments-master-document.pdf>
4. Words or phrases beginning with a capital letter shall have the sense stated in the RIX Terms and Conditions.
5. The following documents generally apply to Temporary Monetary Policy Counterparties:
 - Conditions for the Riksbank's Temporary Monetary Policy Counterparties (Conditions TMPC)
 - Relevant parts of the Terms and Conditions for RIX and monetary policy instruments (RIX Terms and Conditions) plus annexes (see also point 14)
 - Application to become a Temporary Monetary Policy Counterparty, Annex A
 - Instructions for Application to become a Temporary Monetary Policy Counterparty, Annex A.1
 - Grant of Pledge, Annex B
 - Form S.B4 TPM – Request for Collateral arrangement, Annex C
 - Instructions for Form S.B4 TPM, Annex C.1

■ RIX Terms and Conditions

6. The requirements to become a Temporary Monetary Policy Counterparty are stated in the RIX Terms and Conditions section B.3.2.1 b-d and f (ii) - (iv) and (vi), B3.2.3 (a) (iv) and Annex A and Annex A.1.
7. In RIX Terms and Conditions section D, it should be noted in particular that a Temporary Monetary Policy Counterparty can only be a counterparty in the Open Market Operations on which the Riksbank has taken a special decision (compare with point 14 below).
8. It should be noted that section D. 2 in the RIX Terms and Conditions is not applicable and that a Temporary Monetary Policy Counterparty does not have access to the Standing Facilities.
 9. Section D.3.3 (Settlement procedures) in the RIX Terms and Conditions is not applicable. Instead, points 20-21 below apply to Temporary Monetary Policy Counterparties. It should also be noted that for some special facilities, procedures may be applied that deviate from what is stated in points 20-21 below. The procedures that apply are stated in the General Terms and Conditions for the respective facility and, where appropriate, in Special Terms and Conditions.
10. Section E in the RIX Terms and Conditions contains conditions for collateral, etc. Sections E.2 and 3 are not applicable to Temporary Monetary Policy Counterparties, compare with points 22-32 below.
11. The following annexes to the RIX Terms and Conditions apply to Temporary Monetary Policy Counterparties:
 - Annex H1 – Definitions
 - Annex H4, Collateral Instructions and annexes S1-S3 are applicable with the exception of the possibility to use a central securities depository other than Euroclear Sweden for storage of collateral (2.1 h., 5.2, 5.3, 6.2 and Annex 1) and foreign currency as collateral (2.1 j.-l., 5.4, 5.5, 6.3 and 6.4), compare with points 22-25 below.
12. In addition to the RIX Terms and Conditions and the Conditions TMPC, the General conditions and Special conditions for the respective facility will apply to the facilities in which a Temporary Monetary Policy Counterparty can participate (see also point 14).

Application

13. An application to become a Temporary Monetary Policy Counterparty to the Riksbank must be made in accordance with what is stated in the RIX Terms and Conditions, the Application Annex A and the Instructions Counterparty application to the Conditions TMPC, Annex A.1

■ Facilities that are available to Temporary Monetary Policy Counterparties

14. A Temporary Monetary Policy Counterparty can participate in the Market Operations that the Riksbank intermittently decides upon. The Market Operations that are available to Temporary Monetary Policy Counterparties will be stated in the terms and conditions for the respective Market Operations. Special registration may be necessary to take part in certain Market Operations. Current versions of the Terms and Conditions are published on the Riksbank's website.

Fees

15. The Riksbank will invoice an entry fee of SEK 65,000 in connection with the Riksbank approving an application to become a Temporary Monetary Policy Counterparty. The entry fee covers the period from the date of approval of the application up to and including 30 June 2022.
16. If the counterparty is still a Temporary Monetary Policy Counterparty after 30 June 2022, the charge applied by the Riksbank to such a counterparty at any time will subsequently be payable.
17. A Counterparty does not have the right to repayment of a fee that has been paid, even if the Counterparty does not receive an allocation in any Market Operation or if the Riksbank does not supply any Market Operations that are accessible to Temporary Monetary Policy Counterparties.
18. A Counterparty does not have the right to repayment of a fee that has been paid even if the Counterparty's status as Temporary Monetary Policy Counterparty ceases prior to 30 June 2022.
19. The invoiced fees must be paid no later than the last bank day of the month after the invoice has been issued.

Administration of payments

20. A counterparty shall include with the application to become a Temporary Monetary Policy Counterparty its Standard Settlement Instructions, SSI, for Swedish krona.
21. Payments to the Riksbank shall be made in accordance with the payment instructions the Riksbank states in connection with information that the application to become a TMPC has been approved.

Administration of collateral

22. When the application has been approved the Riksbank will open a pledge account with Euroclear Sweden regarding the PM part of the VPC system.
23. The Riksbank will draw up a grant of pledge in accordance with [Annex B](#) regarding this account which will be sent to the Counterparty for signature by an authorised representative.
24. The Counterparty shall also provide, together with the application to become a Temporary Monetary Policy Counterparty, a completed form S.B4 TPM – Request for

Collateral arrangement, Annex C. Instructions for completion of the form are included in the annex Instructions for S. B4 TPMC, Annex C.1. The form shall be completed as NEW.

25. The form should indicate who will be making transfers of collateral in the VPC system on behalf of the Counterparty. Such transfers can only be made by the Counterparty itself or by a representative/custodian bank.

Eligible assets and evaluation of these

26. The Riksbank's more detailed requirements regarding collateral and haircuts on such collateral are apparent in section E of the Master Document of the Terms and Conditions for RIX and monetary policy instruments and the Instructions for Collateral, Annex H4 to the Terms and Conditions for RIX and monetary policy instruments (see the Riksbank's website, <https://www.riksbank.se/en-gb/payments--cash/the-payment-system---rix/collateral/>)
27. The securities generally approved by the Riksbank for these different credit facilities are listed on the Riksbank's website, <https://www.riksbank.se/en-gb/payments--cash/the-payment-system---rix/collateral/eligible-assets/>
28. The Riksbank assesses the value of the collateral daily at market value. A haircut is made on the market value. Information on market value and haircuts can be obtained from section 3.1 of Annex H4 Instructions for Collateral (see web address under point 26.)

Collateral transactions

29. Transfers of collateral to the Riksbank are made through the registration of a sale transaction regarding real-time gross settlement (transaction code BTSA), where the recipient account (ID-VP-ACCOUNT-TO or field E :97A::SAFE// in MT542) must be the pledge account the Riksbank has opened for the Counterparty.
30. A request for returning collateral is made through the registration of a purchase regarding gross settlement in real time (transaction code BTKO), where the supplying account (ID-VP-ACCOUNT-FROM or field E :97A::SAFE// in MT540) must be the pledge account the Riksbank has opened for the Counterparty.
31. A request to return collateral will not be accepted unless the remaining collateral value (the market value minus haircut) amounts to at least the value (the amount paid out plus accrued interest) of the outstanding credit.

Delivery of collateral

32. Securities that are to be used as collateral must be delivered to the pledge account opened (see points 22-23) no later than 11 a.m. on the payment day in question. Delivery must be made in the manner described in point 29.

Replacement of collateral

33. The borrower has the right to replace collateral during the lifetime of the loan/credit. The borrower must inform the Riksbank in advance about the collateral that will be

■ provided and the collateral that the borrower wishes to withdraw. The total value of the collateral after the exchange must at least equal the amount of the loan/credit plus interest for the entire duration of the loan. See further points 29-31.

34. To avoid administration of payments regarding securities that mature, securities maturing during the duration of the loan/credit must be replaced by other securities no later than the bank day prior to the payment day. The conditions stated in point 33 apply to such a replacement.

Documentation

Amendments

35. The Conditions TMPC apply until further notice or until otherwise notified by the Riksbank.
36. The Riksbank reserves the right to make amendments to the Conditions TMPC. Any such amendments will be notified at least two (2) Bank days prior to the amendment coming into force.

Termination

37. For termination, etc. of the Conditions TMPC, what is stated in the RIX Terms and Conditions, section B will apply.