



Annex C to the minutes

DATE: 26 April 2021
DEPARTMENT: Markets Department, Monetary Policy Department, Payments Department
and Financial Stability Department

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Ref.no.2021-00574

Changed frequency in the offers of loans for three and six months respectively in the scope of market operations

Decision by the Executive Board

The Executive Board decides

1. that, as of 3 May 2021, the Riksbank will offer its monetary policy counterparties loans with a three-month or six-month maturity with full allocation within the framework of monthly market operations against an interest rate corresponding to the applicable repo rate at the time,
2. to give the Head of the Markets Department the task of determining, with the right to delegate this to another, after consultation with the Head of the Monetary Policy Department, the Head of the Payments Department and the Head of the Financial Stability Department, with the right for each of them to delegate this task to another, the details regarding and information on these market operations, and
3. to publish the decision on Tuesday 27 April 2021, at 09.30 am.

Background

As part of the Riksbank's measures package, the Executive Board decided, on 16 March 2020, that the Riksbank should establish extraordinary market operations and, within the scope of these, offer loans for three months at a variable interest rate corresponding to the Riksbank's applicable repo rate at the time with a supplement of 0.20 percentage points (ref.no. 2020-00373). On 30 June 2020, the Executive Board decided that the monetary policy stimulation needed to be extended further, which meant that, in addition to loans with a maturity of three months, the Riksbank would also offer loans with a maturity of six months as part of its extraordinary market operations. Moreover, the interest on these loans was lowered to the applicable repo rate at the time (ref.no. 2020-00745).



Considerations

On 30 June 2020, the Executive Board decided that, as of 6 July 2020, the Riksbank would offer its monetary policy counterparties loans with a three-month or six-month maturity with full allocation within the framework of weekly market operations against an interest rate corresponding to the applicable repo rate at the time (ref.no. 2020-00745).

Given that the situation on the financial markets has stabilised and that demand for the programme has been low for a long period of time, the Riksbank assesses that it is now sufficient to offer the loans monthly rather than weekly. The Riksbank is therefore offering, with effect from 3 May 2021, on a monthly basis, loans to monetary policy counterparties against collateral in accordance with the current Terms and Conditions for RIX and Monetary Policy Instruments. The frequency in the offers of loans can be quickly adjusted if conditions change. These measures are justified in terms of monetary policy pursuant to Chapter 6, Article 5 of the Sveriges Riksbank Act (1988:1385).

It is the responsibility of the Head of the Markets Department, with the right to delegate to another person, to determine the precise details regarding the terms for, and information on, the current market operations. The decision will be taken after consultation with the Head of the Monetary Policy Department, the Head of the Payments Department and the Head of the Financial Stability Department, with the right for each of them to delegate to other persons.