

POLICY FOR THE RIKSBANK'S WORK TO PREVENT MONEY LAUNDERING, TERRORIST FINANCING AND VIOLATIONS OF INTERNATIONAL SANCTIONS

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Policy for the Riksbank's work to prevent money laundering, terrorist financing and violations of international sanctions

Content and purpose

This policy describes how the Riksbank shall work to counteract the Riksbank being used for money laundering and terrorist financing or violating international sanction regulations. The purpose of this policy is to determine the foundations of this work.

Target group

This policy is addressed to all the Riksbank's employees. The term "employee" refers to all employees and contractors who have access to a Riksbank computer and to the Riksbank's systems and who participate in the Riksbank's day-to-day operations.

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1 Introduction

The Riksbank as a central bank is not subject to the Money Laundering and Terrorist Financing (Prevention) Act (2017:630). The Riksbank is therefore not obliged to take the measures provided for in that Act or regulations issued under that Act. On the other hand, the Riksbank's reputation may be seriously damaged and confidence in the entire financial system may be damaged if the Riksbank is used for money laundering or terrorist financing. The Riksbank's employees, on the other hand, are subject to criminal law provisions in the Act on Penalties for Money Laundering Offences (2014:307) that are generally applicable to individuals and that, in criminal matters, supplement the Money Laundering and Terrorist Financing (Prevention) Act. To protect its employees from participating in crimes when carrying out their tasks and to minimise the risk of damage to confidence in the Riksbank, the Riksbank uses, in those parts of its operations where there is a risk of money laundering or terrorist financing, the Money Laundering and Terrorist Financing (Prevention) Act and Finansinspektionen's regulations in this area for guiding purposes.

Furthermore, the Riksbank is directly covered by the provisions of the Act on Certain International Sanctions (1996:95). According to this Act, under certain circumstances, a penalty may be imposed on a party violating a prohibition in an EU Regulation on economic sanctions or in a supplementary provision adopted by the Government due to a decision on sanctions by the United Nations or the EU. In light of this, this policy also regulates how the Riksbank works to comply with sanctions legislation.

1.1 Underlying regulatory framework

1.1.1 Applicable regulations

The Sveriges Riksbank Act (SFS 2022:1568)

The Act on Penalties for Money Laundering Offences (2014:307)

The Act on Certain International Sanctions (1996:95)

1.1.2 Regulations that the Riksbank uses for guiding purposes

The Money Laundering and Terrorist Financing (Prevention) Act (2017:630)

Finansinspektionen's regulations regarding measures against money laundering and terrorist financing (2017:11)

1.2 Definitions

Money laundering has the same meaning as in Chapter 1, Section 6 of the Money Laundering and Terrorist Financing (Prevention) Act.

This means actions with respect to money or other property arising from criminal offences or criminal activities that may conceal the property's connection with crime or criminal activity, may promote the possibility of someone acquiring the property or its value, may promote the possibility for someone to evade legal penalties; or means that someone acquires, holds, claims the right to, or uses the property.

Terrorist financing has the same meaning as in Chapter 1, Section 7 of the Money Laundering and Terrorist Financing (Prevention) Act. This means, in short, collecting, receiving or providing money or other property with the intention of the property being used or knowing that it is intended to be used to commit or otherwise contribute to terrorist offences, or attempting, preparing or conspiring to commit terrorist offences; or particularly serious crimes.

International sanctions impose restrictions on the freedom of action of a specific state, group, company or individual. The sanctions that apply in Sweden have been determined by the UN or the EU or are sanctions imposed by the Swedish Government following a decision or recommendation of the UN or the EU that have been approved by the Riksdag.¹

General risk assessment has the same meaning as in Chapter 2, Section 1, paragraph 1 of the Money Laundering and Terrorist Financing (Prevention) Act and refers to an assessment of how the products and services provided in the business can be used for money laundering or terrorist financing and the size of the risk of this happening.

2 Roles and responsibilities

Heads of departments are responsible within their areas of responsibility for:

- identifying the risk that their own departments' activities may be used for money laundering or terrorist financing and that these risks are assessed, managed and reported in accordance with the risk management process
- ensuring that activity-specific general risk assessments are carried out
- ensuring that the risk of breaches of international sanctions in their own departments' activities is identified and that these risks are assessed, managed and reported in accordance with the risk management process

¹ Government Offices of Sweden, International Sanctions, <https://www.government.se/government-policy/foreign-and-security-policy/international-sanctions/>, retrieved: 31 October 2024.

- ensuring there is training on money laundering, terrorist financing and international sanctions that is tailored to the department's activities
- ensuring there are relevant governing documents

Compliance is responsible for:

- coordinating the Riksbank's work to prevent money laundering, terrorist financing and violations of international sanctions
- compiling the general risk assessment that applies to the entire Riksbank
- providing advice and support to operations on issues related to money laundering and sanctions regulations
- training staff on the relevant regulations
- reporting to the Swedish Police Authority (Financial Intelligence Unit) when there is suspicion that the Riksbank is being utilised for money laundering or terrorist financing. Compliance can appoint someone within the organisation to prepare these reports on its behalf

For the responsibilities of the **Internal Audit Department** in the area of money laundering, see the Riksbank's Policy for internal auditing.

3 The Riksbank's work to combat money laundering and the funding of terrorism

Within the Riksbank's operations, general risk assessments shall be made to evaluate whether there is a risk that the Riksbank may be used for money laundering or terrorist financing. There must be relevant governing documents that describe how these risks will be managed. These documents shall be adapted to the specific risks of the operations, with support from the activity-specific general risk assessment. To manage the risks of money laundering or terrorist financing, customer due diligence measures shall be taken in the relevant activities. Measures should be adapted to specific activities. Information collected in connection with the customer due diligence measures and the activity-specific general risk assessment shall form the basis for the risk assessment of the individual customer.

There shall be training for all staff to ensure continuous updating of knowledge.

According to the Sveriges Riksbank Act², the Riksbank is obliged to inform the Swedish Police Authority if information arises in parts of its operations that gives reason to

² Chapter 7, Section 23 of the Sveriges Riksbank Act (2022:1568)

assume that a crime has been committed, such as suspicion of money laundering offences.³

A report to the Police Authority (Financial Intelligence Unit) shall be made when there is suspicion that a customer is trying to use the Riksbank for money laundering or terrorist financing.

4 Sanctions

Every year, it shall be evaluated and documented which of the Riksbank's activities include transactions/agreements that may be subject to sanctions legislation. For the Riksbank, sanctions legislation includes, for example, a ban on carrying out transactions for natural persons or legal entities that are included in a sanction list or a ban on entering into agreements and other connections with such a natural person or legal entity.

The Riksbank must take into account sanctions legislation and must ensure compliance with international sanction regulations so as to prevent the Riksbank from violating them. The operations shall therefore have rules and/or routine descriptions covering how the operations are to prevent violations of international sanctions.

More information on the sanctions applicable in Sweden can be found on the Swedish Government's website⁴.

5 Compliance

Compliance is responsible for monitoring and continuously verifying compliance with this policy. Compliance shall regularly report the risks identified to the Executive Board via its interim report.

6 Entry into force

This Policy enters into force on 1 January 2025. This policy repeals the previous Policy on the Riksbank's work against money laundering and terrorist financing and work to prevent violations of international sanctions (DNR 2023-01190), which was decided on 14 December 2023.

³ In cases other than suspicion of money laundering or terrorist financing, the Security Division (SÄK) is responsible for reporting to the Swedish Police Authority.

⁴ Government Offices of Sweden, International Sanctions, <https://www.government.se/government-policy/foreign-and-security-policy/international-sanctions/>, retrieved: 31 October 2024.