



PRESS RELEASE

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■ Changed terms and conditions for issues of Riksbank Certificates

The Riksbank has decided to make certain changes to improve the workings of the overnight market. This partly entails making technical changes to the terms and conditions governing Riksbank Certificates and partly setting a limit for the emission volumes of the certificates that will be issued with a period of maturity running over the turn of the year. The changes will come into force on 16 December 2014.

The Riksbank's operational framework for the implementation of monetary policy is designed to control the market's overnight rate by setting the conditions for the banks' deposits and loans at the Riksbank. As of 8 October 2008, the banking system has a liquidity surplus in relation to the Riksbank. At present, this liquidity surplus amounts to around SEK 50 billion. The Riksbank borrows this surplus, partly through weekly issues of Riksbank Certificates with a maturity of one week, and partly through daily fine-tuning operations overnight.

Since 1 June 2010, the banks have been able to sell Riksbank Certificates back to the Riksbank for a fee of two basis points.¹ The aim of introducing this right of resale was to increase interest in the weekly issues of Riksbank Certificates. The resale of Certificates to the Riksbank increases the liquidity surplus in the banking system by the equivalent amount. In order to avoid frequent reselling, which leads to an unnecessarily large impact on the formation of interest rates on the overnight market, the Riksbank has decided to raise the fee for the resale of Riksbank Certificates to 10 basis points and that the right of resale should not apply on the Bid Submission Date. These changes will apply as of 16 December 2014.

The Riksbank normally issues certificates at a maturity of one week. However, the maturity is usually longer over the turn of the year due to the Christmas and New Year holidays. The Riksbank has noted that volatility on the overnight market has increased around the turn of the year. In order to avoid excessive

¹ See the decision of the Executive Board "Riksbank Certificates with the right of resale and with longer maturities", Annex B to the minutes of Executive Board meeting 100525, §7, DNR 2010-446-APP.



- variations in the overnight rate in connection with the approaching turn of the year, the Riksbank has decided to limit the volume of the issue of Riksbank Certificates on 16 December to SEK 35 billion.