



# GENERAL TERMS AND CONDITIONS FOR THE RIKSBANK'S PURCHASES OF GOVERNMENT BONDS VIA BID PROCEDURE 2015:3

- These general terms and conditions ("General terms") apply as of and including 13 May 2015 for the Riksbank's purchases of government bonds by means of bid procedures.

## 1. Definitions

"Bid date"	The date for making bids which is stated in the Special terms.
"Bid times"	The times for making bids which are stated in the Special terms.
"Registration"	The procedure by which counterparties register their interest in taking part in the bid procedures.
"Bloomberg Bond Auction System"	Bloomberg Bond Auction System is the system that will be used for the bid procedures.
"Banking day"	Monday to Friday that is not a holiday in Sweden, except Midsummer Eve, Christmas Eve and New Years Eve.
"Requested volume"	The volume, or the interval of volume, of Bonds requested for Purchase by the Riksbank in accordance with the Special terms for the respective Bid date.
"Information system"	Nasdaq's GlobeNewswire system for receiving and distributing information in the Swedish money and bond markets or another electronic system, for receiving and/or spreading information, that the Riksbank has specially assigned.
"Purchases"	The Riksbank's purchases of Bonds on the respective Bid dates.

"Delivery and payment date"	The second Banking day after the Bid date.
"Counterparties"	Counterparties accepted by the Riksbank in accordance with section 4. below.
"Bond"	A government bond that has been issued by the state of Sweden through the Swedish National Debt Office, as stated in the Special terms.
"Monetary Policy Counterparties"	Counterparties covered by the definition Monetary Policy Counterparties in the Riksbank's Terms and Conditions for RIX and Monetary Policy Instruments.
"Final volume"	The volume of Bonds that the Riksbank, after the Bid times have expired on the respective Bid date, decides shall be purchased by the Riksbank on such Bid date. The Final volume is within the Requested volume, when the Requested Volume is stated as an interval.
"Special terms"	The special terms and conditions that are applicable to the respective Bid date.

## 2. Method of purchase

Purchases are made by means of a bid procedure with differentiated pricing on allocation (multiple price method, i.e. allocation to bid is made at the rate offered in such bid). Bids shall be made by Counterparties in the Bloomberg Bond Auction System.

## 3. Notification of Purchases and Special terms

Prior to Purchase, the Riksbank will notify on its website and via the Information system – or by another means determined by the Riksbank – *inter alia* which Bond(s) that is/are requested for Purchase, the Bid date, the Requested volume, the Bid times and the Delivery and payment date ("Special terms"). Special terms are normally notified on the Friday prior to the Bid date.

## 4. Counterparties

Those of the Riksbank's Monetary Policy Counterparties (as they are defined in the Riksbank's Terms and Conditions for RIX and Monetary Policy Instruments) and the Swedish National Debt Office's current dealers for government bonds, from whom the Riksbank has received a complete Registration no later than three (3) Banking days prior to the Bid date, are eligible to make bids in the Riksbank's Purchase of Bonds. Counterparties must meet the requirements for Monetary Policy Counterparties or the Swedish National Debt Office's dealers of government bonds on both the date of the Registration and the Bid date. The Riksbank reserves the right

to deviate from the requirements in this paragraph.

- The Registration apply for all of the ensuing bid procedures, and the information provided in the Registration is binding for the Counterparty.

A counterparty who has registered for the Riksbank's earlier purchases of Swedish government bonds in accordance with the general terms and conditions dated 17 February 2015 and has confirmed that such a registration still applies does not need to complete a new application or registration form, on condition that the information provided in the earlier registration still applies.

Counterparties are obliged to ensure that persons representing them in the Bid procedure are authorised and have the capacity to make binding bids on behalf of the Counterparty.

A Counterparty is always bound by Bid(s) that have been made by using the Bloomberg Bond Auction System and the codes that have been stated in the Registration.

## 5. Bid procedure

Bids regarding rate and volume are made by the Counterparties via the Bloomberg Bond Auction System during the Bid times on the Bid date.

The Riksbank reserves the right to terminate the bid procedure, extend or postpone the Bid times, or designate a later Bid date. In such case, this will be communicated to the Counterparties as soon as possible.

Counterparties may make more than one bid per Bid date.

Bids shall include information about the desired volume and the rate bid. Volumes shall be stated in SEK 1,000,000 (corresponding nominal amount) or whole multiples thereof and may not exceed the Highest permitted bid volume or be lower than the Lowest permitted bid volume (such volumes are specified in the Special terms). The bid interest rate shall be expressed with a maximum of three decimals.

Bids made are binding for the Counterparty. Bids may not be withdrawn or changed by the Counterparty after the Bid times have expired. Bids are binding until the allocation result has been notified, in accordance with section 6. below, or until the bid procedure is terminated by the Riksbank.

When the Bid times have expired, the bids are ranked according to the offered interest rate. The Final volume is thereafter decided by the Riksbank. After this, the allocation is made. First the bids with the highest interest rate are allocated and thereafter follow then next highest bids and so on until the Final volume has been filled. If necessary to avoid exceeding the Final volume, the allocation for bids at the lowest interest rate accepted by the Riksbank is reduced, or if there is more than one bid at this rate, the reduction is made in proportion to the volume the Counterparty has stated in its bid(s). In the event of a reduction, the allocated volume is rounded down to a multiple of SEK 1,000,000 (corresponding nominal amount). The remaining bids will not receive any allocation.



■ The Riksbank reserves the right to reject bids, even if this would mean that the Final volume is lower than the Requested volume or even if it means that no allocation is made.

The Counterparty is obliged to deliver the allocated volume even if this is smaller than the volume offered in the Counterparty's bid.

## **6. Reporting allocation results**

The allocation results will be notified via the Information system, or by another means determined by the Riksbank, normally no later than 10 minutes after the last time for making a bid. However, in the case of impediment, the Riksbank reserves the right to report the results at a later point in time. The allocation results will also be reported as soon as possible on the Riksbank's website.

## **7. Delivery and payment**

On the Delivery and payment date, the delivery of the allocated Purchases of Bonds will be made by the relevant Counterparty, and payment for the Purchase will be made by the Riksbank. The transaction will be through Euroclear Sweden AB's securities settlement system, in accordance with information provided by the Counterparty in its Registration and by the Riksbank in the Special Terms. The payment will be calculated in accordance with Swedish market practice.

If a party is not able to meet its full delivery or payment obligations, the party is obliged to compensate the other party for any damage, loss, claim, costs and expenditure the other party has suffered as a result of this failure.

## **8. Other matters concerning terms and conditions**

Unless otherwise expressed in these General terms, the Riksbank's Terms and Conditions for RIX and Monetary Policy Instruments will apply as appropriate. If any of the terms and conditions in these General terms is incompatible with the Riksbank's Terms and Conditions for RIX and Monetary Policy Instruments, these General terms will take priority.

These General terms apply until further notice or until otherwise is notified by the Riksbank. The Riksbank reserves the right to make amendments to these General terms. Any such amendments will be notified to the Counterparties no later than four (4) Banking days before the relevant Bid date and will take immediate effect from (and including) the day the Riksbank gives such notice.

Stockholm, 13 May 2015