



# Decision memorandum

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DEPARTMENT: Monetary Policy Department

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## ■ Interest rates for standing facilities and fine-tuning transactions

### Background

The Instructions for Sveriges Riksbank stipulate that the Executive Board shall make the decisions on monetary policy and foreign exchange policy measures. At present the Executive Board not only makes decisions on the interest rates for monetary policy repos and Riksbank Certificates, that is, the repo rate at its monetary policy meetings. The Board has also made separate decisions regarding the interest rates for deposits and lending in the standing facilities at these meetings.

### Considerations

The width of the interest rate corridor is not normally changed when the repo rate is adjusted. It is therefore proposed that the Executive Board should make a decision regarding the width of the corridor, which will apply until further notice, regardless of the level of the repo rate.

The difference between the repo rate and the interest rate for the fine-tuning operations is not affected directly by decisions on the repo rate. However, the interest rate for the fine-tuning operations is not currently determined in separate decisions at the monetary policy meetings. It is proposed that the Executive Board nevertheless also makes a separate decision regarding this interest rate, which will apply until further notice.

### Decision

- The lending rate in the standing facilities is set at the prevailing repo rate plus 75 basis points.
- The deposit rate in the standing facilities is set at the prevailing repo rate minus 75 basis points.
- The lending rate for fine-tuning transactions is established at the prevailing repo rate plus ten basis points.
- The deposit rate for fine-tuning transactions is established at the prevailing repo rate minus ten basis points.