

# INSTRUCTIONS FOR THE RIKSBANK'S PROGRAMME FOR CREDIT IN SWEDISH KRONOR WITH A VARIABLE INTEREST RATE WITH COMMERCIAL PAPER AS COLLATERAL



## ■ Instructions for the Riksbank's programme for credit in Swedish kronor with a variable interest rate with commercial paper as collateral

These instructions apply as of 13 February 2009.

### Counterparties

1. The programme is addressed to the Riksbank's monetary policy counterparties, i.e. a counterparty that has a right to the Riksbank's standing facilities.

### Registration in the programme

2. A counterparty shall register in the programme on the form Registration of participation in the Riksbank's programme for SEK credit with a variable interest rate with collateral in commercial paper (Annex 1 to Credit Terms Variable CP Credit). The completed form shall be sent to the Riksbank, Market Analysis and Operations Division (fax +46 (0)8 787 01 69).
3. Registration shall reach the Riksbank no later than 10.00 hours on the Bid Submission Date of the first auction in which the Counterparty participates.

### Registration of collateral before an auction

4. A counterparty can register a request that a particular CP programme would be eligible for loans provided under the credit programme. Such registration shall be made on the form Registration of CP programme(s) for the Riksbank's programme for SEK credit with collateral in commercial paper (Annex 3 to General Terms for CP Credit) and shall be sent to the Riksbank, Business System and Payment Services Division/Payment System (email [collateral@riksbank.se](mailto:collateral@riksbank.se), fax +46 (0)8-24 77 11) not later than 15:00 hours (CET) on the third business day before the auction day. The original should be sent by ordinary mail to The Riksbank, Business Support and Payment Services Division, SE-103 37 Stockholm, Sweden. Such registration should be made as soon as possible after the announcement of credit in which the counterparty wishes to participate. Registration should be made for each auction.
5. If the CP programme or the issuer does not possess a credit rating from Standard and Poor's, Moody's Investor Service or Fitch Ratings, the counterparty shall demonstrate compliance with the Riksbank's creditworthiness requirements. This demonstration is to be done on Annex 3.

Only counterparties that have the right to implement the Internal method for the calculation of capital adequacy according to Basel II can demonstrate this.

The Riksbank has the right to request additional information that demonstrates that the counterparty's internal assessment of the creditworthiness meets the Riksbank's creditworthiness requirements.

6. If the counterparty assesses that the creditworthiness requirements for a CP programme that the counterparty has registered in accordance with item 4 are no

longer met the counterparty shall immediately inform the Riksbank about this in writing.

7. If the Riksbank does not accept a registered CP programme the Riksbank will inform the counterparty about this.

#### **Auction procedure**

8. Conditions for the auction are presented in Saxess/OMFIE page RIKX.
9. Bids submitted by telephone shall be confirmed by fax +46 (0)8-787 01 69 not later than 15 minutes after the end of the bid submission period.
10. Allocations are announced in Saxess/OMFIE page RIKY.

#### **Grant of pledge and pledge account**

11. When the Riksbank receives registration in accordance with item 2 the Riksbank opens a special securities account (pledge account) with the Central Securities Depository (VPC) to be used for the pledges that are made under the programme.
12. The Riksbank will draw up a grant of pledge in accordance with Annex 2 to Credit Terms for CP Credit and send it to the counterparty by email to the representative appointed in the registration.
13. Signed grant of pledge shall reach the Riksbank no later than the end of the bank day before the payment date for the first auction in which the Counterparty participates. For the first auction in the programme this means Friday 20 February 2009.

#### **Information about collateral that is to be pledged**

14. To give the Riksbank the time required for preparations, the Counterparty shall inform the Riksbank no later than 15.00 hours two bank days before the relevant payment date as to which CP programmes and which commercial paper (ISIN) will be pledged as collateral.
15. This information is sent to the Riksbank, Business Support and Payment Services Division/Payment System (email [collateral@riksbank.se](mailto:collateral@riksbank.se), fax +46 (08)-24 77 11).

#### **Delivery of collateral**

16. Commercial paper that is to constitute collateral shall be delivered to the separate securities account that is for this credit programme (see item 11) no later than 11.00 hours on the relevant payment date. Delivery shall be made as gross settlement without payment in the Central Depository Services system (PTSA or BTSA).

#### **Replacement of collateral**

17. The borrower has the right to replace collateral during the lifetime of the loan. The borrower shall inform the Riksbank in advance about the collateral that will be provided and the collateral that the borrower wants to withdraw. The total value of collateral after the exchange shall at least equal the amount of the loan together with interest for the duration of the loan. This information is provided via email to [backofficegruppen@riksbank.se](mailto:backofficegruppen@riksbank.se). The borrower then registers gross settlement transactions without payment in the Central Securities Depository system, starting with PTSA/BTSA for additional collateral followed by PTKO/BTKO for the collateral

the borrower wishes to withdraw. After having checked the value of remaining collateral the Riksbank will send matching transactions without unnecessary delay.

18. To avoid handling liquidity for maturing commercial paper, commercial paper that matures during the lifetime of loans shall be replaced by other paper no later than the bank day before the maturity date. The stipulations in item 17 apply to such replacement.

### Documentation

19. The following documents apply for the programme:

- Specific terms for the Riksbank's programme for credit in Swedish kronor with a variable interest rate with commercial paper as collateral (Specific Terms Variable CP Credit)
- General terms for the Riksbank's programme for credit in Swedish kronor with a variable interest rate with commercial paper as collateral (Credit Terms Variable CP Credit)
- Terms for collateral in the Riksbank's programme for SEK credit with collateral in commercial paper (Annex A to General terms for the Riksbank's programme for credit in Swedish kronor with a variable interest rate with commercial paper as collateral)
- Registration of participation in the Riksbank's programme for SEK credit with collateral in commercial paper (Annex 1 to General terms for the Riksbank's programme for credit in Swedish kronor with a variable interest rate with commercial paper as collateral)
- Grant of pledge (Annex 2 to General terms for the Riksbank's programme for credit in Swedish kronor with a variable interest rate with commercial paper as collateral)
- Registration of CP programmes for the Riksbank's programme for SEK credit with collateral in commercial paper (Annex 3 to General terms for the Riksbank's programme for credit in Swedish kronor with a variable interest rate with commercial paper as collateral)
- Instructions for the Riksbank's programme for credit in Swedish kronor with a variable interest rate with commercial paper as collateral)

20. The following documents apply for the relevant auction

- Specific Terms Variable CP Credit – Auction date ...
- Credit Terms Variable CP Credit

21. Current versions of documents are published on the Riksbank's website.

### Queries

22. Questions about the credit programme can be put to the Riksbank as follows:

- Concerning auction procedures – Riksbank/Market Analysis and Operations Division (tel. +46 (0)8-696 69 70)
- Concerning registration of collateral – Riksbank/Business Support and Payment Services Division/Payment System (Monica Rönnerdahl, tel. +46 (0)8-787 04



16, Kenny Bülow. Tel. +46 (0)8-787 07 04 or Eva Carlsson-Rönnehed, tel +46 (0)8-787 04 81, e-mail [collateral@riksbank.se](mailto:collateral@riksbank.se))

- Concerning delivery and substitution of collateral as well as payments and repayments - Riksbank/Business Support and Payment Services Division/Back Office (tel. +46 (0)8-787 05 90, e-mail [backofficegruppen@riksbank.se](mailto:backofficegruppen@riksbank.se))