

The Sveriges Riksbank Act

Lagen (1988:1385) om Sveriges riksbank - as from 1 July 2008
(Unauthorized translation)

Chapter 1 Objective and governance

Art. 1. The Riksbank (the Swedish Central Bank), which pursuant to Chapter 9, Article 13 of the Instrument of Government is the country's central bank and a public authority under the Riksdag (the Swedish Parliament), may only conduct, or participate in, such activities for which it has been authorised by Swedish law.

Art. 2. Pursuant to Chapter 9, Article 13 of the Instrument of Government, the Riksbank is responsible for monetary policy.

The objective of the Riksbank's activities shall be to maintain price stability.

The Riksbank shall also promote a safe and efficient payments system.

The Riksbank may issue regulations within the scope of its responsibility for monetary policy. The Riksbank may also issue regulations that concern activities connected with the Riksbank's payment system or cash-provision mandate.

Art. 3. Pursuant to Chapter 9, Article 13 of the Instrument of Government, the Riksbank has a General Council of eleven members, appointed by the Riksdag.

A Chairman and a Vice-Chairman are appointed by the members among themselves.

Art. 4. Pursuant to Chapter 9, Article 13 of the Instrument of Government, the activities of the Riksbank are managed by an Executive Board, consisting of six members, who are appointed by the General Council for a period of five or six years. The General Council appoints the Chairman of the Executive Board, who at the same time shall be the Governor of the Riksbank, and at least one Vice-Chairman, who at the same time shall serve as Deputy Governor of the Riksbank.

When required, in the absence or incapacity of the Governor, the General Council shall determine in which order the Deputy Governors shall serve in his place.

Art. 5. Matters which are not to be decided by the General Council are determined by the Executive Board. The Executive Board may decide that matters may be determined by the Governor of the Riksbank or by another official at the Riksbank.

Chapter 2 The General Council

Art. 1. A member of the General Council may not

1. be a Cabinet minister,
2. be a member of the Riksbank's Executive Board,
3. be a member or deputy of a board of directors of a bank or any other company subject to supervision by the Financial Supervisory Authority, or
4. hold any other employment or assignment which makes him unsuitable as a member of the General Council.

Nor may a member of the General Council be a minor, or a declared bankrupt, or be subject to a prohibition against carrying on a business, or have a trustee in accordance with Chapter 11, Article 7, of the Code relating to Parents, Guardians and Children.

If a member takes an employment or assignment that may come into conflict with the provisions of the first paragraph, the Riksdag shall, on a proposal by the Riksdag Committee on Finance sever the member from the assignment as member of the General Council. Any employment or assignment taken up by a member shall be reported to the Riksdag.

This provision is included in the supplementary rule 8.7.1 of the Riksdag Act.

Art. 2. The right of the General Council to sever a member of the Executive Board from his employment follows from Chapter 9, Article 13, of the Instrument of Government.

An appeal against a decision on severance from the employment shall be made within two months of the decision being served. The Governor of the Riksbank may bring a case before the European Court of Justice. Other members of the Executive Board may appeal at the Supreme Court.

The Supreme Court may annul a decision on severance from employment.

If an appeal is not made within the time prescribed in the second paragraph, the party has lost the right to appeal.

Art. 3. Minutes shall be taken at meetings of the General Council.

The General Council has a quorum when not less than eight members are present.

Each member who takes part in the final handling of a matter is obliged to also take part in the decision. However, no member is obliged to vote for more than one proposal. In decisions on severing a member of the Executive Board from his employment, at least eight of the members of the General Council shall agree on the decision.

Art. 4. The General Council may submit consultation opinions on behalf of the Riksbank within its area of competence.

Chapter 3 The Executive Board

Art. 1. A member of the Executive Board may not

1. be a member of the Riksdag,
2. be a Cabinet minister,
3. be employed at the Government Offices,
4. be employed by the central administration of a political party,
5. be a member or deputy member of a board of directors of a bank or any other company subject to supervision by the Financial Supervisory Authority, or,
6. hold any other employment or assignment which makes him unsuitable as member of the Executive Board.

Nor may a member of the Executive Board be a minor, or a declared bankrupt, or be subject to a prohibition against carrying on a business, or have a trustee in accordance with Chapter 11, Article 7, of the Code relating to Parents, Guardians and Children.

If a member takes an employment or assignment which can come into conflict with the provisions of the first paragraph, he shall immediately notify the General Council.

For a period of one year after a member has ceased to serve on the Executive Board, he may not hold such employment or carry out such assignments as are referred to in the first paragraph, 5 and 6, without the consent of the General Council.

Art. 2. Members of the Executive Board may neither seek nor take instructions when fulfilling their monetary policy duties.

Art. 3. Minutes shall be taken at meetings of the Executive Board.

The Executive Board has a quorum when at least half of its members are present. However, matters that require urgent treatment may be decided upon by two members if they are in agreement. Each member who takes part in the final treatment of an item shall also take part in the decision. However, no member is obliged to vote for more than one proposal.

The Chairman and Vice-Chairman of the General Council have the right to be present at the Executive Board's meetings with the right to speak, but without the right to make proposals and vote.

Chapter 4 Common provisions for the General Council and the Executive Board

Art. 1. If the Riksbank's activities give rise to a question of statutory amendment or any other governmental measure, the General Council or the Executive Board may within their respective area of competence make a proposal concerning the matter to the Riksdag, in accordance with the supplementary rule 3.8.3 in the Riksdag Act or to the Government.

Before making a proposal to the Riksdag or the Government, the General Council and the Executive Board shall consult one another.

Art. 2. Communications issued by the General Council or the Executive Board to the Riksdag or the Government must include information detailing the members who have taken part in the decision and the person who has submitted the facts of the matter. If a dissenting vote is given in the matter, this shall be indicated in the communication or be evident from an appended extract from the minutes of the meeting.

Art. 3. In matters of major importance connected with the stability of the payments system or involving the supervisory activities of the Financial Supervisory Authority, the Riksbank shall consult with the Authority. In such a consultation, the Riksbank shall provide the Financial Supervisory Authority with the necessary information.

Art. 4. The Chairman and the Vice-Chairman of the General Council and the members of the Executive Board shall notify the Riksdag in writing

1. holdings of financial instruments as stipulated in Chapter 1, Article 1, of the Financial Instruments Trading Act (1991:980),
2. holdings of shares in a partnership or an economic association except tenant-ownership associations, and shares in similar foreign legal entities,
3. ownership, wholly or partly, of business premises pursuant to Chapter 2, Article 14, of the Income Tax Act (1999:1229),
4. agreements of a financial nature with previous employers, such as agreements on wage and pension benefits, which are paid during the period covered by the assignment on the General Council or the employment on the Executive Board, and
5. credits and other liabilities and the conditions for these.

Notification of assets and agreements according to the first paragraph 2-4 need not be made if they together do not exceed a market value of SEK 500,000. The same applies to credits and other liabilities according to the first paragraph 5 if these together are less than SEK 500,000.

Notification according to the first paragraph shall be made when the assignment or employment is commenced. If, according to the second paragraph, notification of assets and agreements or credits and other liabilities needs not be made at this time, notification shall be made at the latest within four weeks of exceeding the threshold stipulated in the second paragraph.

Notification shall thereafter be made for every change that entails that

1. an asset as stipulated in the first paragraph 1 has been acquired,
2. the total value of assets and agreements pursuant to the first paragraph 2-4 or the total value of credits and other liabilities pursuant to the first paragraph 5 has changed by more than SEK 100,000 since notification was last made on condition that the total value or amount after the change is not less than SEK 500,000, or
3. a change in conditions has taken place with respect to credits and other liabilities that have been notified.

Notification of such changes as stipulated in the fourth paragraph shall be made no later than four weeks after the change has taken place.

Art. 5. Stipulations governing the remuneration to members and deputy members of the General Council are contained in the Act (1989:185) on Fees, etc. for Assignments within the Riksdag, its Authorities and Bodies.

Salaries and other employment benefits for members of the Executive Board are established by the General Council.

Art. 6. The General Council and the Executive Board may not convene in a region occupied by a foreign power.

Chapter 5 Notes and coins

Art. 1. Pursuant to Chapter 9, Article 14, of the Instrument of Government, the Riksbank has the exclusive right to issue banknotes and coins. The General Council shall determine the design of the banknotes and coins which the Riksbank issues.

Banknotes and coins issued by the Riksbank are legal tender.

Sweden's monetary unit is the krona. The krona is divided into one hundred öre.

Art. 2. Banknotes may be issued in denominations of twenty, fifty, one hundred, five hundred and one thousand kronor.

Coins may be issued in denominations of fifty öre, one krona, five kronor and ten kronor.

Furthermore, commemorative and jubilee coins may be issued in other denominations.

Art. 3. The Riksbank shall be responsible for the provision of Sweden's banknotes and coins.

The Riksbank may conduct the operations referred to in Article 1 together with another party.

For the purpose of improving efficiency in cash management, the Riksbank may provide remuneration or interest-free credit to companies that have separated and stored banknotes and coins according to the Riksbank's instructions.

Art. 4. Banknotes and coins that are damaged or worn may be redeemed by the Riksbank. The Riksbank may pay compensation for banknotes that are completely spoiled.

In special circumstances, the Riksbank may redeem banknotes and coins that have ceased to be legal tender.

Art. 5. Banknotes and coins that have been altered or manipulated must not be circulated.

Chapter 6 Monetary policy and the payment system

Art. 1. Banking institutions, as referred to in this Act, are commercial banks, savings banks, co-operative banks, and foreign banking companies which, pursuant to Chapter 4, Article 1 or 4 of the act on banking and financing business (lagen (2004:297) om bank- och finansieringsrörelse), conduct banking activities from a branch registered in Sweden.

Financial institutions, as referred to in this Act, are banking institutions, credit market companies, securities institutions, the First to Fourth National Swedish Pension Funds according to the National Swedish Pension Funds Act (2000:192), the Sixth National Swedish Pension Fund according to the Sixth National Swedish Pension Fund Act (2000:193), insurance companies with Swedish licences, the rural mortgage institution, Swedish Ships' Mortgage Bank and foreign companies which, pursuant to Chapter 4, Article 1,3 or 4 of the Act on banking and financing business (lagen (2004:297) om bank- och finansieringsrörelse), conduct business activities from a branch registered in Sweden.

Art. 2. The Riksbank shall follow developments on the foreign exchange and credit markets and implement necessary monetary policy measures.

Art. 3. Prior to the Riksbank making a monetary policy decision of major importance, the minister appointed by the Government shall be informed.

Art. 4. The Riksbank shall submit a written report on monetary policy to the Riksdag Committee on Finance at least twice a year.

The Riksbank shall make public statistical data concerning foreign exchange and credit conditions on a continual basis.

Art. 5. In pursuance of its monetary policy, the Riksbank may

1. grant credit against adequate collateral and receive deposits,
2. purchase, sell and mediate securities, foreign exchange and rights and obligations linked to such assets,
3. issue its own instruments of debt.

Generally applicable interest terms for such lending and borrowing according to the first paragraph 1, shall be made public.

Art. 6. In pursuance of its monetary policy, the Riksbank may decide to impose minimum reserve requirements on financial institutions.

Minimum reserve requirement means that a certain share, not exceeding fifteen per cent of the financial institution's investments or liabilities, calculated in a manner stipulated by the Riksbank, shall for a specific period be covered by funds of a corresponding value that, with or without interest compensation, shall be deposited in a Riksbank account on behalf of the institution concerned. To an extent determined by the Riksbank the financial institution's cash holdings, shall be equal to such funds.

For foreign financial institutions that are entitled to conduct business activities from a branch registered in Sweden, the minimum reserve requirement is calculated on the basis of the investments or liabilities of the particular branch.

Art. 7. The Riksbank may make available systems for settlement of payments and participate in other ways in the settlement of payments.

In order to promote the function of the payment system, the Riksbank may grant intraday credit to participants in the system. Credit may only be granted against adequate collateral. The State does not need to provide collateral.

Art. 8. In exceptional circumstances, the Riksbank may, with the aim of supporting liquidity, grant credits or provide guarantees on special terms to banking institutions and Swedish companies subject to the supervision of the Financial Supervisory Authority.

Art. 9. Upon the request of the Riksbank, a credit institution or another company which is subject to the supervision of the Financial Supervisory Authority shall provide the Riksbank with such information as the Riksbank considers necessary to

1. follow developments in foreign exchange and credit markets,
2. oversee the stability of the payments system.

The performer of a currency transaction with a foreign counterpart or the holder of assets and liabilities with a foreign connection, whether on behalf of another party or on own account has an obligation to provide the Riksbank with such information and to present the Riksbank with such documents concerning the transaction as are needed as a basis for the Riksbank's balance of payments statistics and international investment position statistics.

More detailed regulations concerning the reporting obligation under the first and second paragraphs may be issued by the Riksbank.

Chapter 7 Foreign exchange policy

Art. 1. The Riksbank shall decide on the application of the foreign exchange rate system decided upon by the Government.

Art. 2. In pursuance of its foreign exchange policy, the Riksbank is to hold assets in foreign currencies, foreign claims and gold.

Art. 3. In pursuance of its foreign exchange policy, the Riksbank may

1. purchase, sell and mediate foreign currencies, foreign government securities, other liquid debt instruments in foreign currency and gold, as well as rights and obligations linked to such assets,
2. issue its own debt instruments denominated in foreign currency for the purposes referred to in the second paragraph of Article 1 of the Act on State Borrowings (1988:1387).

Art. 4. In pursuance of its foreign exchange policy, the Riksbank may obtain foreign credit and credit in foreign currency, grant credit to other central banks, grant credit within the framework of activities at the

Bank for International Settlements and grant credit for the European Union's Medium-Term Financial Assistance for Member States' Balances of Payments.

In pursuance of its foreign exchange policy, the Riksbank may, subject to authorization from the Riksdag, grant credit to other international financial bodies of which Sweden is a member and reach agreements with non-central-bank parties concerning long-term international borrowing arrangements.

Subject to authorization from the Riksdag, the Riksbank may make capital contributions from its own funds to the International Monetary Fund.

Subject to authorization from the Riksdag, the Riksbank may also participate, in other ways than those stated in Articles 2 and 3, in funding within the framework of the International Monetary Fund's activities. However, no authorization is necessary if the funding is for foreign exchange policy purposes or if there are special circumstances.

Art. 5. The Riksbank may acquire the Special Drawing Rights resulting from Sweden's participation in the International Monetary Fund. In addition, it is the responsibility of the Riksbank to fulfil obligations resulting from Sweden's participation in this system.

Art. 6. The Riksbank may serve as a liaison body in relation to international financial institutions of which Sweden is a member.

Art. 7. The Riksbank may, with or without interest compensation, receive deposits in foreign currency or gold from, and make such deposits with, banks, foreign bank companies, central banks, credit market companies, foreign credit institutions, the Bank for International Settlements and the International Bank for Reconstruction and Development. The Riksbank may also receive such deposits from other sovereign states and intergovernmental bodies.

The Riksbank may also reach agreements with respect to obligations and rights that are linked to the deposits described in the preceding paragraph.

Chapter 8 Other tasks

Art. 1. The Riksbank shall accept payments to and make disbursements for the state.
The Riksbank may accept deposits from the state.

The Riksbank shall not extend credit to or purchase debt instruments directly from the state, another public body or an institution of the European Union.

The Riksbank may, however, pursuant to Chapter 6, Article 7 paragraph 2, grant intraday credit to the state. Subject to other provisions in this Act, the Riksbank may also grant credit to and purchase debt instruments from financial institutions owned by the state or another public body.

Art. 2. Within the framework of the Riksbank's tasks as central bank, the Riksbank may purchase equity, shares in economic associations and similar rights and assume the obligations linked to such rights.

The Riksbank may not, without authorisation from the Riksdag make such acquisitions or enter into such obligations as referred to in the first paragraph if this is done to fulfil other tasks than the Riksbank's tasks as central bank.

Art. 2a. The Riksbank may decide to sell equity, shares in economic associations and similar rights.

If these sales are made to fulfil other tasks than the Riksbank's tasks as central bank, however, the Riksdag must give authorisation in cases where the sale entails a reduction in the state's ownership of companies where the state has at least half of the votes or if the sale is of significant public interest.

Art. 3. The Riksbank may, itself or through a company owned by the Riksbank, conduct printing operations, paper manufacture and the production of banknotes as well as the manufacture of coins, medals and similar objects.

Art. 4. The Riksbank may acquire and sell premises and equipment intended for activities which are conducted by the Riksbank or in which it takes part.

If the acquisition or sale is made to fulfil other tasks than the Riksbank's tasks as central bank, the Riksdag must give authorisation in cases where the value of property exceeds SEK 20 million.

To protect a claim, the Riksbank may acquire all types of property. Such property shall be sold as soon as is appropriate and not later than when it can be done without incurring a loss.

Art. 5. The Riksbank may conduct services, against payment, linked to its activities as a central bank.

Art. 6. The Riksbank may, following individual reviews, agree to a composition and make decisions concerning the write-off, write-down or remission of its claim.

Chapter 9 Administrative provisions

Art. 1. The Riksbank conducts its activities at a head office in Stockholm, where the General Council and the Executive Board also have their seat.

The Riksbank may also conduct activities at branch offices, in that number and at those locations which are determined by the Riksbank.

Art. 2. The Head Office shall have an Audit Unit and other units decided by the Riksbank.

Operations of the Audit Unit are governed by the General Council.

The distribution of business between different units shall be made clear in the rules of procedure as referred to in Article 4.

Art. 2a. The activities of the Audit Unit shall concern independent examination of the Riksbank's internal governance and control and how the Riksbank meets its financial accounting obligations. The audit shall follow generally accepted principles for internal auditing.

The Riksbank shall adopt an audit plan for its activities following consultation with the Swedish National Audit Office.

Art. 3. Pursuant to the conditions contained in Article 6 (2) and (3) of the Public Employment Act (1994:260), the Riksbank may, in special circumstances, decide that only Swedish nationals may be employed by the Riksbank.

Art. 4. The General Council decides the Rules of Procedure for the Riksbank.

In addition, the Riksbank makes decisions on an individual basis in matters concerning personnel and persons appointed for specific assignments at the Riksbank, to the extent that such matters are not governed by legislation or decisions of the Riksdag or the Riksdag Administration.

Art. 5. The members of the General Council and such personnel and persons appointed for specific assignments at the Riksbank as determined by the Riksbank shall submit to the Riksbank a written report of their holdings of financial instruments and of changes in such holdings as stipulated in Chapter 1, Article 1, of the Financial Instruments Trading Act (1991:980). The same applies to changes in such holdings. The reporting obligation according to this Article does not, however, apply to the Chairman and Vice-Chairman of the General Council and the members of the Executive Board.

Art. 6. The Riksbank shall have a Staff Disciplinary Board, chaired by the Governor of the Riksbank. In addition to personnel representatives, the other members of the Disciplinary Board shall be appointed by the Riksbank. The following matters, which concern others than members of the Executive Board, shall be decided upon by the disciplinary board:

1. dismissal from employment on account of personal circumstances, though not concerning probationary appointments,
2. disciplinary measures,
3. notification of prosecution,
4. suspension.

The Staff Disciplinary Board has a quorum when the chairman and at least half of the other members are present.

Art. 7. In the planning and implementation of its peacetime activities, the Riksbank must adhere to the demands made by the national defence requirements.

In defence planning, the Riksbank shall consult with the Financial Supervisory Authority on matters concerning financial services and with the National Board of Trade on matters relating to foreign trade.

Art. 8. The Riksbank has the right to compensation for amounts, corresponding to input tax in accordance with the Value Added Tax Act (mervärdesskattelagen 1994:200), which are attributable to its activities.

However, the Riksbank does not have the right to compensation if the input tax is covered by limitations in the right to deduction in accordance with Chapter 8, Articles 9,10, 15 or 16 of the Value Added Tax Act.

Art. 9. The Riksbank may make charges for copies, duplicates and printouts of public documents. These charges shall be determined under the guidance of the regulations applying to authorities under the Government.

Chapter 10 Budget, allocation of profit and discharge from liability

Art. 1. The Riksbank shall have capital in an amount of one thousand million kronor, a reserve fund of 500 million kronor and a contingency fund.

Art. 1a. The Riksbank's activities shall endeavour to attain a high level of efficiency and good economy.

Art. 2. The Riksbank's accounting year is the calendar year.

Each year before the end of December, the Executive Board shall draft a budget for the Riksbank's administrative activities during the following accounting year. The Executive Board shall submit the budget to the Riksdag Committee on Finance and the Swedish National Audit Office as well as the General Council for information.

Art. 3. The Riksbank is required to keep accounts. This requirement shall be met in accordance with generally accepted accounting principles. In addition, the European Central Bank's guidelines on the legal framework for accounting and financial reporting within the European System of Central Banks shall be applied.

Each year, before 15 February, the Executive Board shall submit an Annual Report of the Riksbank's activities during the preceding accounting year to the Riksdag, the Swedish National Audit Office and the General Council. The General Council shall make proposals to the Riksdag and the Swedish National Audit Office on the allocation of the profit of the Riksbank. The Annual Report shall comprise a Profit and Loss Account, a Balance Sheet, a Directors' Report and an account of foreign exchange and monetary policies and on how the Riksbank has promoted a safe and efficient payments system.

Art. 4. The Riksbank's Profit and Loss Account and Balance Sheet are approved by the Riksdag, which also determines the allocation of the Riksbank's profit. If the value of the reserve fund has declined to less than SEK 500 million, at least ten per cent of the profit for the year shall be allocated to the reserve fund until it has retained a level of this amount.

The Riksdag determines whether the General Council shall be discharged from liability for its activities and the Executive Board for its management of the Riksbank. Discharge from liability may only be denied if there are reasons to make claims of financial liability against a member of the General Council or the Executive Board, or if the member should be prosecuted for criminal actions in connection with his assignment or employment.

Art. 5. The Riksbank shall annually report to the Riksdag what measures the Bank has taken in view of the Swedish National Audit Office's observations.

Chapter 11 Fees, penalties, etc.

Art. 1. A financial institution that does not fulfil its established minimum reserve requirement shall pay a special fee to the State.

The Riksbank rules in matters concerning such special fees.

Art. 2. The special fee pursuant to Article 1 shall correspond to the daily interest on the deficit, amounting to twice the lending rate that the Riksbank is implementing on credit granted to banking institutions in accordance with Chapter 6, Article 5. In special circumstances, the fee may be reduced totally or partly.

Art. 2a. The Riksbank may issue injunctions or prohibitions as necessary to ensure that the provision in Chapter 5, Article 5, or regulations issued pursuant to Chapter 1, Article 2 or Chapter 6, Article 9 are observed. In decisions on injunctions or prohibitions the Riksbank may set a penalty.

In cases such as those referred to in Chapter 5, Article 5, the prohibition may be communicated to each party that has significantly contributed to the circulation and in so doing has been aware that the banknotes or coins have been altered or manipulated.

Art. 3. Any person failing to fulfil an obligation pursuant to Chapter 6, Article 9, to provide information or present documents, or who provides incorrect information when the obligation is fulfilled, shall be sentenced to a fine, unless the offence is subject to punishment under the Penal Code. If a penalty has been imposed pursuant to Chapter 11, Article 2a, however, punishment may not be exacted for actions covered by the penalty.

Minor infringements shall not be penalised.

Art. 4. The Riksbank shall, without prejudice to the stipulations laid down in Chapter 8, Article 8, and Chapter 9, Article 4, of the Secrecy Act (1980:100), notify the police or the public prosecution authority if information emerges in its activities, as referred to in these stipulations, that gives cause to assume that a crime has been committed.

In special circumstances, the Riksbank may refrain from submitting such information.

Art. 5. The procedure for appealing against a decision by the General Council to sever a member of the Executive Board from his or her appointment is regulated in Chapter 2, Article 2.

Decisions made by the Riksbank in accordance with Article 2a can be appealed to the county administrative court.

Other decisions made by the Riksbank in accordance with this Act may only be appealed to the extent and in the order stipulated in the act concerning appeals against administrative decisions made by the Riksdag Administration and the Riksdag's agencies (lagen (1989:186) om överklagande av administrativa beslut av riksdagsförvaltningen och riksdagens myndigheter).

(Note: Where the Swedish name of an act is given in brackets, no English translation is available at present.)