

The Riksbank Act

The Sveriges Riksbank Act (1988:1385) – as amended to apply from 1 January 1999
Unauthorized translation

Chapter 1 Objectives and management

Art. 1.

The Riksbank (the Swedish Central Bank), which pursuant to Chapter 9, Article 12 of the Constitution Act is the country's central bank and an authority under the Riksdag, may only conduct, or participate in, such activities for which it has been authorised in accordance with Swedish law.

Art. 2.

Pursuant to Chapter 9, Article 12 of the Constitution Act, the Riksbank is responsible for monetary policy.

The Riksbank may issue regulations within this area of responsibility.

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

In addition, the Riksbank shall promote a safe and efficient payment system.

Art. 3.

Pursuant to Chapter 9, Article 12 of the Constitution Act, the Riksbank has a Governing Council made up of eleven members, appointed by the Riksdag.

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

Art. 4.

Pursuant to Chapter 9, Article 12 of the Constitution Act, the operations of the Riksbank are managed by an Executive Board, consisting of six members, who are appointed by the Governing Council for a period of six years. The Governing 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, the Governing Council shall determine in which mutual order, the Deputy Governors shall serve in the place of the Governor, when the latter is indisposed.

Art. 5.

Matters which are not to be decided by the Governing Council are determined by the Executive Board. The Executive Board may decide that a matter may be determined by the Governor of the Riksbank or by another official at the Riksbank.

Chapter 2 The Governing Council

Art. 1.

A member of the Governing Council may not

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

Nor may a member of the Governing 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 any employment or assignment which can come into conflict with the provisions of the first paragraph, the Riksdag shall release the member from the appointment as member of the Governing Council.

Art. 2.

The right of the Governing Council to sever a member of the Executive Board from his appointment follows from Chapter 9, Article 12, of the Constitution Act.

A decision on removal from the assignment shall be appealed against within two months of service of the decision. The Governor of the Riksbank may appeal at the European Court of Justice. Other members of the Executive Board may appeal at the Supreme Court.

The Supreme Court may declare a decision on removal from the employment invalid. 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 Governing Council.

The Governing Council has a quorum when not less than eight members are present. Each member who takes part in the final treatment of an item shall also take part in the decision. However, nobody 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 Governing Council shall support the decision.

Art. 4.

The Governing Council may on behalf of the Riksbank make comments on referrals within its area of responsibility.

Chapter 3 The Executive Board

Art. 1.

A member of the Executive Board may not

1. be an member of the Riksdag,
2. be a Government Minister,
3. be employed at the Government Office,
4. be employed at central administration by a political party,
5. be a member or deputy of a board of directors of a bank or other company subject to supervision by the Financial Supervisory Authority, or,
6. hold any other employment or assignment which makes him unsuitable for the appointment 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 any employment or assignment which can come into conflict with the provisions of the first paragraph, he shall immediately notify the Governing 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 Governing Council.

Art. 2.

Members of the Executive Board may not seek nor take instructions when they are 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, nobody is obliged to vote for more than one proposal.

The Chairman and Vice-Chairman of the Governing 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 Governing Council and the Executive Board

Art. 1.

If the Riksbank's operations give rise to a question of statutory amendment or any other governmental measure, the Governing Council or the Executive Board may within their respective area of responsibility make a proposal concerning the matter to the Riksdag or the Government.

Before a proposal to the Riksdag or the Government is made, the Governing Council and the Executive Board shall consult one another.

Art. 2.

Notifications issued by the Governing Council or the Executive Board to the Riksdag or the Government must include information detailing the members who have participated in the decision-making process and the person who submitted the facts of the matter. If a vote is not unanimous, this shall be indicated in the notification 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 payment 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 Governing Council and the members of the Executive Board shall notify to 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 of equivalent foreign legal entities,
3. ownership, wholly or partly, of business premises pursuant to Chapter 1, article 5, of the Local Government Tax Act (1928:370),
4. agreements of a financial nature with previous employers, such as agreements on wages and pension benefits, which are paid during the period covered by assignments as member of the Governing Council or 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 the threshold stipulated in the second paragraph being exceeded.

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 at the latest four weeks after the change has taken place.

Art. 5.

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

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

Art. 6.

The Governing Council and the Executive Board may not convene at a location which is occupied by an alien nation.

Chapter 5 Notes and coins

Art. 1.

Pursuant to Chapter 9, Article 13, of the Constitution Act, the Riksbank has the exclusive right to issue banknotes and coins. The Governing 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.

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

Art. 3.

The Riksbank shall be responsible for the supply of Sweden's banknotes and coins.

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.

Chapter 6 Monetary policy and the payment system

Art. 1.

Banking institutions, as defined within this Act, are commercial banks, savings banks, co-operative banks, and foreign banking companies which pursuant to Chapter 1, article 4 or 5 of the Banking Business Act (1987:617) conduct banking operations from branches registered in Sweden.

Financial institutions, as defined within this Act, are banking institutions, credit market companies, securities institutions, the National Pensions Insurance Fund, insurance companies with Swedish concessions, rural and urban mortgage institutions, Swedish Ships' Mortgage Bank and foreign companies which, pursuant to Chapter Art. 2. articles s 8, 9 and 10, of the Act on Financial Operations (1992:1610), conduct operations 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 hand over a written report to the Parliamentary Standing Committee on Finance at least twice a year on monetary policy.

The Riksbank shall make public statistical data concerning foreign exchange and credit conditions on a continual basis. In addition, the Riksbank shall make public decisions in respect of changes in the official discount rate.

Art. 5.

In pursuance of its monetary policy, the Riksbank may

1. grant credit against adequate collateral and receive loans,
2. purchase, sell and act as an intermediary in the trading of Swedish Government securities, other liquid instruments of debt and rights and obligations connected with such assets,
3. issue its own instruments of debt.

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 operations from branches registered in Sweden, the minimum reserve requirement is estimated 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 payments system, the Riksbank may grant participants in the system intraday credit. 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 end of supporting liquidity, grant credits or provide guarantees on special terms to banking institutions and Swedish companies that are under the supervision of the Financial Supervisory Authority.

Art. 9.

Upon the request of the Riksbank, a credit institution or other company supervised by 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. supervise the stability of the payment system.

The performer of a currency transaction 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 foundation for the Riksbank's balance of payments statistics. The same applies to the party for whom the transaction has been performed.

In the event of an obligation to provide information under the second paragraph, the party for which the transaction is performed shall to the party arranging the transaction notify the former's personal identity number or company reference number, the purpose of the transaction, the country to or from which the payment is being made, and the name of the recipient of the payment abroad.

Regulations concerning the reporting obligation under the first and second paragraphs may be issued by the Riksbank. Failure to comply with such an obligation entitles the Riksbank to issue a directive on penalty of fine.

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 implementing its foreign exchange policy, it is contingent upon the Riksbank to hold assets in foreign currencies, foreign receivables and gold.

Art. 3.

In pursuance of its foreign exchange policy,

1. the Riksbank may purchase, sell and act as an intermediary in the trading of foreign currencies, foreign Government securities, other liquid currency debt instruments and gold as well as rights and commitments connected with such assets,
2. issue its own debt instruments denominated in foreign currencies for the purposes referred to in the second paragraph of article 1 of the Government Borrowing Act (1988:1387).

Art. 4.

In pursuance of its foreign exchange policy the Riksbank may obtain foreign credit and credit in foreign currencies, extend credit to other central banks and to the International Monetary Fund, extend credit within the frame of operations of the Bank for International Settlements and extend 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, extend credit to other international financial bodies of which Sweden is a member and reach agreements with non-central-bank parties concerning the long-term international borrowing arrangements.

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

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 those obligations resulting from Sweden's participation in this system.

Art. 6.

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

Art. 7.

The Riksbank may, with or without interest compensation, receive deposits of currencies or gold from other sovereign states, intergovernmental bodies and Swedish and foreign banks. The Riksbank may make such deposits with Swedish and foreign banks.

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

Art. 8.

Upon request, the Riksbank shall provide tax authorities with information held by the Riksbank which relates to payments to or from another country, if required for the authorities' control of taxes and fees. With respect to information required for taxation purposes, the stipulations contained in Chapter 3, article 16, of the Taxation Act (1990:324) shall apply instead.

Upon request, the Riksbank shall provide customs authorities with information held by the Riksbank which relates to payments for the import or export of goods.

In exceptional circumstances, the Riksbank may refrain from providing information in accordance with the first and second paragraphs.

Chapter 8 Other duties

Art. 1.

The Riksbank shall accept payments to and make disbursements for the Government. The Riksbank may accept deposit from the Government.

The Riksbank shall not extend credit to or purchase debt instruments directly from the Government, other public bodies or institutions of the European Union.

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

Art. 2.

Within the framework of the Riksbank's duties as a central bank, the Riksbank may purchase equity, shares in co-operative societies and similar rights and assume the obligations connected with such rights.

Art. 3.

The Riksbank, itself or through a company owned by the Riksbank, may 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 properties and equipment intended for operations conducted by the Riksbank or in which it takes part.

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 a date at which this may occur without incurring a loss.

Art. 5.

The Riksbank may conduct services, against payment, connected with its operations 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 operations at a head office in Stockholm, where the Governing Council and the Executive Board also have their seat.

The Riksbank may also conduct operations at branch offices and banknote depots, in that number and at those locations determined by the Riksbank.

Art. 2.

The Head Office shall contain an Auditing Department and other units decided by the Riksbank.

Operations of the Auditing Department are managed by the Governing Council unless an alternative course of action is stipulated in the Act (1988:46) on the Auditing of the Riksdag's Administration, etc.

The distribution of business between different departments shall be contained in a working order as referred to in article 4.

Art. 3.

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

Art. 4.

The Governing Council decides the working order for the Riksbank.

The Riksbank also 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 by the Office of Administration and Services of the Riksdag.

Art. 5.

The members of the Governing 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. This, however, does not apply to the Chairman and Vice-Chairman of the Governing 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 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 a position on account of personal circumstances, though not from 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 operations, the Riksbank must adhere to the demands made by the national defence requirements.

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

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. 2.

The Riksbank's accounting year is the calendar year.

Each year prior to 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 Parliamentary Standing Committee on Finance and the Office of the Parliamentary Auditors and the Governing Council for their attention.

Art. 3.

The Riksbank is required to maintain accounting records and is to fulfil this duty in a manner that provides the information necessary for an assessment to be made of the Riksbank's operations.

Each year, prior to February 15, an Annual Report of the Riksbank's operations during the preceding accounting year shall be submitted by the Executive Board to the Riksdag, the Office of the Parliamentary Auditors and the Governing Council. The Governing Council shall make proposals to the Riksdag and the Office of the Parliamentary Auditors on the allocation of the profit of the Riksbank. The Annual Report shall consist of a Profit and Loss Account, a Balance Sheet, an Administration Report and an account of foreign

exchange and monetary policies and on how the Riksbank has promoted a safe and efficient payment 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 Governing Council shall be discharged from liability for its operations 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 Governing Council or the Executive Board, or if the member should be prosecuted for criminal actions in connection with his assignment or employment.

Chapter 11 Fees, conditional fines, etc.

Art. 1.

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

Matters concerning such special fees are determined by the Riksbank.

Art. 2.

The special fee stipulated 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 provided to banking institutions in accordance with Chapter 6, article 5.

In special circumstances, the fee may be reduced totally or partly.

Art. 3.

Any person failing to fulfil an obligation in accordance with Chapter 6, section 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 the fourth paragraph of Chapter 6, article 9, 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 from the stipulations contained in Chapter 8, article 8, and Chapter 9, article 4, of the Secrecy Act (1980:100), notify the police or the public prosecution authorities if information arises during 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.

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 (1989:186) concerning Appeals against administrative decisions made by the Office of Administration and Services of the Riksdag and its bodies.

Appeals against the Governing Council's decision to sever a member of the Executive Board from his employment is regulated in Chapter 2, article 2.