



Article from Ministry of Enterprise and Innovation, Ministry of Finance

# The Government has decided on a temporary discount for fixed rental costs in vulnerable sectors

Published 20 April 2020

After the European Commission approved the Government's state aid notification on Wednesday, the Government could today adopt an ordinance on a discount for fixed rental costs in vulnerable sectors as a way to mitigate the financial consequences of the virus outbreak. The new aid is based on an agreement between the Government, the Centre Party and the Liberal Party.

The COVID-19 virus outbreak has rapidly had a major economic impact across Sweden. The situation is now very serious for large parts of the hotel and restaurant sector, and the durable consumer goods sector. In its additional amending budget, the Government is allocating support of SEK 5 billion to reduce fixed rents for vulnerable sectors such as durable consumer goods, hotels, restaurants and certain other activities. This covers, for example, retailers, logistical activities, restaurants as well as the organisation of congresses/fairs, and also consumer services such as dentists, physiotherapist practices, and hair and beauty salons.

“This is one of several initiatives taken by the Government to help businesses in Sweden and it is an important that the rental discount is now made available to businesses,” says Minister for Business, Industry and Innovation Ibrahim Baylan.

Because it is a matter of state aid, the Government's notification of state aid

needed to be approved by the EU before the Government could take a decision. After the EU Commission approved the state aid on Wednesday, the Government could today adopt the ordinance.

“It serves both business operators and their landlords to get through this crisis. It is therefore important that central government can go in and make it easier for property owners to take responsibility and take a portion of the rent,” says Minister for Financial Markets and Housing Per Bolund.

Under this initiative, landlords who reduce fixed rents for tenants in these vulnerable sectors during the period of 1 April to 30 June will be able to apply for aid to compensate part of the reduction in rent. The compensation provided will be at most 50 per cent of the reduction in fixed rent, i.e. the actual discount, but at most 25 per cent of the original fixed rent.

Landlords apply online for the compensation retrospectively via the county administrative boards’ websites and it is available to all landlords. Because the support is applied for retrospectively by the landlords, the county administrative boards will accept applications from 1 July, but 31 August at the latest. It is therefore important that landlords now take responsibility for entering into agreements so as to support their tenants.



Article from Ministry of Enterprise and Innovation, Ministry of Finance

# Proposed central government loan guarantee programme for small and medium-sized enterprises

Published 27 March 2020

On Wednesday 25 March, a proposal was presented for loan guarantees to companies adversely affected by the COVID-19 virus outbreak. The aim is to make it easier for primarily small and medium-sized enterprises to access financing.

The proposal means that central government will guarantee 70 per cent of any new loans that banks provide to companies experiencing financial difficulties due to the COVID-19 virus. The guarantee will be issued to banks, which in turn will provide guaranteed loans to companies.

## Opportunity for small and medium-sized enterprises to access financing

The loan guarantee programme primarily targets small and medium-sized enterprises, but there is no formal size limit on companies taking part in the programme. However, a limit of SEK 75 million per borrower has been proposed. The Swedish National Debt Office may grant exemptions from this limitation.

## Conditions for providing loans

To take part in the programme, the COVID-19 virus must have adversely affected the company's finances. The Government expects that the guaranteed loans will not be used for bonuses or variable remuneration to

senior management, or for profit distribution other than what is comparable with regular salary withdrawals.

Companies apply for a loan by contacting a bank. The bank then conducts the normal credit assessment.

Banks that want to take part in the programme sign a guarantee agreement with the Swedish National Debt Office. The agreement covers aspects such as the guarantee fee that banks must pay, the loans concerned and other conditions.

## Loans are provided through the banks

Central government issues the guarantee to the banks, which in turn provide guaranteed loans to companies. In practice, this means that central government compensates the bank for up to 70 per cent of any loss arising on a loan thus guaranteed.

The loans are paid out through the banks in order to provide loans to many companies as quickly as possible by using the banks existing networks and credit processes.

## Costs to central government, banks and companies

Banks pay a risk-based guarantee fee to the Swedish National Debt Office. The fee is determined on the basis of the borrower's current risk class, which is set by the credit institution. The risk assessment is carried out in accordance with the credit institution's credit assessment process.

As usual, the borrower pays interest to the bank. This is determined by the bank and based on their credit risk assessment of the individual company, taking into account that central government is guaranteeing a large part of the loan. The borrower may defer paying interest on the loan for the first 12 months.



Government Offices of Sweden

Article from Prime Minister's Office, Ministry of Culture, Ministry of Education and Research, Ministry of Employment, Ministry of the Environment, Ministry of Justice, Ministry of Infrastructure

# Several Ministers participated in commemorating Holocaust Remembrance Day on 27 January

Published 30 January 2020

On Holocaust Remembrance Day January 27 several representatives from the Swedish Government participated in memorial services to honour the victims of the Holocaust and to commemorate the 75th anniversary of the liberation of Auschwitz-Birkenau.

Prime Minister Stefan Löfven attended a memorial ceremony at Auschwitz-Birkenau to commemorate the 75th anniversary of the liberation. The memorial service began in Auschwitz and ended with a candle lighting ceremony in Birkenau.

Minister for Education Anna Ekström spoke at a memorial service arranged by the Council of Roma representatives in Malmö and then at a memorial service arranged by the Jewish Community of Malmö in the Synagogue of Malmö.

Minister for Home Affairs Mikael Damberg spoke at a ceremony arranged by The Living History Forum at Raoul Wallenberg's Square and then at the memorial ceremony in the Great Synagogue of Stockholm. Minister for Environment and Deputy Prime and Climate Isabella Lövin, Minister for Justice and Migration Morgan Johansson and Minister for Financial Markets and Housing Per Bolund also participated at the ceremony in the Great Synagogue.

Minister for Culture and Democracy Amanda Lind visited the Jewish Community of Gothenburg and spoke at the memorial ceremony in the evening.

Minister for Gender Equality, with responsibility for anti-discrimination and anti-segregation Åsa Lindhagen spoke at the memorial ceremony at the Palais des Nations in Geneva.

Further Minister for Energy and Digital Development Anders Ygeman and Minister for Justice and Migration Morgan Johansson participated in a memorial service at the The Royal Dramatic Theatre.



Government Offices of Sweden

Article from Ministry of Finance

# Finance and housing policy for a sustainable society

Published 06 May 2019

Minister for Financial Markets and Housing Per Bolund talks about how he wants to tackle his new area of responsibility, housing issues, and how he wants to work for stable financial markets that also help make Sweden more environmentally friendly.



Article from Ministry of Finance

# Transitional solution for continued access to investment services following Brexit

Published 07 February 2019

Today the Government will present a bill to the Riksdag to make it possible to exempt companies from the United Kingdom for a limited time from the requirement to hold a licence from Finansinspektionen (the Swedish Financial Supervisory Authority) to provide investment services.

“This proposal makes it possible to flexibly introduce transitional arrangements for investment services requiring a licence that are conducted in Sweden by companies in the UK,” says Minister for Financial Markets Per Bolund.

At present, a need has been identified, during a transitional period following the UK’s withdrawal from the EU, to allow companies domiciled in the UK to continue providing services to professional clients with whom they entered into agreements prior to Brexit. The aim of the exemption is to eliminate the risk of interrupted access to the necessary financial services to handle derivative contracts entered into by Swedish businesses with a counterpart in the UK.

The proposal will only be relevant if the UK leaves the EU without an agreement in place on transitional arrangements between the parties – a ‘hard Brexit’.





Article from Ministry of Finance

# Per Bolund took part in EU conference on financing sustainable growth

Published 30 March 2018

The financial sector has a leading role in efforts to move towards a fossil-free society. This role and a new European Commission Action Plan were the subjects of the high-level conference on financing sustainable growth held in Brussels on 22 March, attended by Minister for Financial Markets and Consumer Affairs Per Bolund.

- Getting sustainable financial markets on the EU agenda is a breakthrough. There is a great deal more to be done in this area, said Mr Bolund, commenting on the new Action Plan at the conference.

Mr Bolund stressed that the Swedish Government is working successfully to ensure that environmental and climate impacts are integrated into financial risk assessments. Rapid progress has been made and there is huge interest from all stakeholders, but Mr Bolund also pointed out that Sweden's voice has been rather isolated and urged international support on the issue.

- National efforts are important, but since the financial sector is highly international, sustainability issues also need to be addressed at international level if we want to achieve positive long-term results with geographical breadth, Mr Bolund said.

He also mentioned the bilateral cooperation on green financing recently agreed between France and Sweden.

The speakers at the conference included French President Emmanuel Macron, President of the European Commission Jean-Claude Juncker, and a number of European Commissioners, Members of the European Parliament and representatives of the financial sector.

The conference was hosted by the European Commission.

Commission action plan on financing sustainable growth

High-level conference: Financing sustainable growth



Article from Ministry of Finance

# New measures of wellbeing

Published 01 August 2017

‘New measures of wellbeing’ is a framework of 15 indicators of economic, environmental and social dimensions of quality of life. The indicators, intended to complement GDP as a measure, will be an instrument for monitoring trends in people’s quality of life and the long-term sustainability of the economy.

GDP is an important measure used to describe economic growth. It is clear and simple, yet provides only a limited picture of a society's development. This is why a number of additional indicators are needed to complement GDP to provide a picture of the development of wellbeing. Conditions for economic growth and the development of wellbeing depend on both the quantity of resources generated and how they are distributed, used and managed. New measures of wellbeing is a new framework for monitoring trends in people's quality of life and the long-term sustainability of the economy.

## GDP per capita

Although a rise in GDP generally leads to higher levels of wellbeing, this is not always the case. One reason for this is that GDP does not take account of how the output produced is distributed among the population. GDP per capita takes account of changes in population growth but does not reflect trends in income disparity, for example, in society.

## Employment rate

When more people support themselves through work, resources are freed up in the public sector, as pressure on the public transfer system is reduced.

When more people work, income disparities also decline. A high employment rate makes it possible to strengthen the public welfare system. Despite a high employment rate, unemployment can also be high if labour force participation is high. This is why both the employment rate and unemployment rate indicators are necessary to show labour market trends.

## Unemployment rate

Work offers a sense of community, belonging and financial security. The unemployment rate measures the proportion of the labour force that does not have a job but is willing and able to work. Unemployment can have a significant impact on wellbeing. Work offers individuals the opportunity to support themselves and better prospects of shaping their own lives.

## Household debt

Households in Sweden are taking on more and more debt, which can entail a risk. This risk is both at the individual level, where consequences for the individual can be considerable if interest rates rise or housing prices fall. High-debt households can also have macroeconomic effects if people are forced to reduce consumption in the event of a housing price crash. In the long run, both growth and employment may be adversely affected.

## General government consolidated gross debt

This indicator shows the general government consolidated gross debt as a percentage of GDP, often referred to as the Maastricht debt. This is the measure of general government debt used in the EU. Through the Stability and Growth Pact, all EU countries have pledged to keep their general government consolidated gross debt below the threshold of 60 per cent of GDP. Keeping this level low is important for long-term economic sustainability.

## Air quality

Air pollution can cause serious health problems and contribute to acidification and eutrophication. The air quality indicator shows the development of two of the most common and hazardous forms of air pollution in Swedish cities: nitrogen dioxide (NO<sub>2</sub>) and fine particulate matter (PM<sub>2.5</sub>). Air pollution is mainly caused by road traffic, where heavy and light diesel vehicles account for the bulk of nitrogen dioxide emissions.

## Water quality

Good quality water is vital for drinking water and many aquatic animals and plants. The water quality indicator shows bodies of water that have 'high' or 'good' status under the EU Water Framework Directive. This indicator also provides an overview of the main water-related problems: eutrophication, certain pollutants and physical impacts.

## Protected natural environments

Long-term protection is important for preserving the world's natural and cultural heritage, and for safeguarding fundamental values, such as clean water, clear air and unspoiled natural environments. This indicator shows the proportion of Sweden's natural environments, including national parks, nature reserves and nature conservation areas, under long-term protection.

## Chemical body burden

The chemical body burden indicator measures the burden of toxic chemicals in people's bodies. Monitoring levels of dangerous chemicals over time provides an overview of the substances we are exposed to and the amounts involved. The indicator shows that chemical body burdens are declining slowly despite bans restricting the use and spread of such substances. One problem is that these substances persist in the environment, accumulate in the fatty tissues of humans and animals, and are already widespread in products, buildings and the environment.

## Greenhouse gas emissions

Tackling climate change is one of humanity's greatest challenges. The continued emission of greenhouse gases at current rates will increase the risk of serious, drastic and irreversible consequences for humanity and ecosystems. Measurements of greenhouse gas emissions are made of the overall emissions of carbon dioxide, methane, nitrous oxide and fluorinated gases, and are linked to the environmental quality objective 'Reduced climate impact' and the intermediate target 'Reduced greenhouse gas emissions by 2020'.

## Low economic standard

The low economic standard indicator refers to the proportion of the population with a disposable income that is less than 60 per cent of the median income. The EU defines low economic standard as the proportion of the population whose income is so low that it is below the at-risk-for-poverty threshold. Even though physical needs are met, relative poverty can result in individuals not being able to fully participate in social relations and contexts.

## Self-perceived general health

Good health is an important prerequisite for a good life. But measuring health is complex since many different factors contribute to good health. The self-perceived general health indicator has the advantage of providing an overall picture of a respondent's perceived physical and mental health in a single measurement. Self-perceived general health is reported as the proportion of the population that perceives their health as good or very good.

## Level of education

It is important to follow trends in educational levels, particularly as several of the other social indicators in this framework have a clear connection to education level. This indicator concerns the highest level of education completed according to Swedish Educational Terminology.

## Interpersonal trust

High levels of trust between people can be regarded as a component of social capital – the glue that holds society together – while low levels of trust can create problems. Whether an individual can ask those around them for help and support in different situations is one example of how social trust increases quality of life. High levels of trust and broad social networks also facilitate business transactions and matching in housing and labour markets.

## Life satisfaction

Life satisfaction is a measure of subjective wellbeing. Subjective wellbeing is generally high in prosperous, democratic and politically stable societies characterised by low unemployment, effective exercise of public authority, observance of legal rights and low corruption. At an individual level, close relationships have the greatest impact on life satisfaction; but meaningful work and a fulfilling leisure time are also very important. Monitoring trends in life satisfaction provides an important contribution to determine the

direction of policy.



Article from Ministry of Finance

# Strategy for sustainable consumption

Published 05 October 2016 Updated 06 October 2016

How can consumption be made more sustainable? What can be done to make it easier for consumers to make climate-smart choices? These are some of the questions in focus in the Government's strategy for sustainable consumption. The aim is for the strategy to contribute to environmentally, socially and economically sustainable consumption.

Many of today's environmental problems are linked to our private consumption. To reduce consumption's negative climate and environmental impact, we must change how and what we consume. The Government's strategy for sustainable consumption focuses on what the State can do, together with municipalities, the business sector and civil society, to make it easier for consumers to act sustainably.

## Focus areas

### Increasing knowledge and deepening cooperation

Knowledge about the impact of consumption on the environment needs to be enhanced and cooperation deepened at different levels in society.

- **Forum on eco-smart consumption**

The Government wants to establish a new forum to bring together actors who, in various ways, can contribute to more eco-smart consumption and lifestyles. The forum aims to spread examples of good practice and create solutions for more sustainable consumption. The Swedish



Consumer Agency will be responsible for the forum and will collaborate with other relevant government agencies. In the Budget Bill for 2017, the Government has proposed an investment of SEK 43 million up to 2020, and thereafter SEK 9 million per year for the Agency's work on environmentally sustainable consumption. A network will be linked to the forum to promote active cooperation with researchers, the business sector, county administrative boards, municipalities and county councils, and civil society.

- **Environmental focus in schools**

Schools play an important role in increasing children's and young people's knowledge about consumption and the environment. The Government wants to task the Swedish Consumer Agency with collaborating with other relevant actors to facilitate teaching about the impact of consumption on the environment, for example by ensuring that school materials and lesson plan suggestions are easily accessible.

## Encouraging sustainable ways of consuming

As consumers, we can contribute to environmentally sustainable consumption by changing our behaviours. But many of us often experience obstacles, such as a lack of information. Often costs, habits, lack of time and influence from our surroundings also underlie our purchasing decisions and other behaviour patterns.

- **Eco-smart behaviour patterns**

The Government proposes that the Swedish Consumer Agency be tasked with a special assignment to actively promote more eco-smart consumption and lifestyles. The assignment would include various ways of 'nudging' consumers by encouraging and making it easier for them to choose the best alternatives from an environmental perspective. The work should be linked to the forum and coordinated with the Agency's efforts to improve environmental information in its Hallå konsument (Hello consumer) information service.

- **Positive developments in the sharing economy**

The sharing economy, which involves goods and services being shared in various ways, can provide increased freedom of choice and lower prices, contributing to greater opportunities to consume sustainably. The Government has instructed an inquiry to map out the sharing economy,

analyse the legal status of different users and examine the need for measures to promote positive developments in the sharing economy.

- **More effective ecolabelling**

For ecolabelling to have a strong impact, in addition to gaining consumer confidence, it is essential that it keeps up to date with developments on the market. The Government intends to promote effective, independently certified ecolabelling schemes that gain good traction among companies and consumers – internationally too. The Government will consult relevant actors on the potential and requirements of ecolabelling ahead of upcoming measures.

## Streamlining resource use

Reusing goods instead of buying new ones contributes to a more sustainable lifestyle and leads to major benefits for the environment.

- **Goods that last longer**

To encourage the recycling of goods, the Government proposes a reduction in the VAT rate from 25 per cent to 12 per cent for repairing bicycles, shoes, leather goods, clothing and household linen. A tax reduction will be introduced for the repair and maintenance of white goods carried out in the home. The Government is also working to ensure that, based on the EU Ecodesign Directive, sustainability requirements are introduced for more product groups and for providing information about opportunities for repairs.

- **Circular economy**

The Government is working in various ways to facilitate the development of a circular economy. In addition to pushing EU efforts, the Government has instructed an inquiry to propose policy instruments to promote a circular economy, including making it easier to reuse goods through, for example, trade in used goods, and repairing and upgrading goods.

- **Sustainable waste management**

Waste prevention efforts focus on food, textiles, electronic products and construction materials. The Swedish Environmental Protection Agency has been instructed to present proposals for a revised national waste management plan for the period 2018–2023. In the EU, the Government is pushing to ensure products are designed in a way that facilitates

recycling.

## Improving information on companies' sustainability efforts

Through demand and engagement, consumers can influence companies in a more sustainable direction. But this necessitates clear information about companies' sustainability efforts, including the consideration they take of the environment.

- **Businesses' and the financial market's sustainability efforts**

The Government has proposed new regulations that require major companies to report on their work on sustainability issues, for example the environment, human rights and anti-corruption activities. The financial sector plays an important role in the achievement of sustainability objectives. An inquiry has proposed measures that improve comparability with regard to which sustainability aspects are taken into account in fund management, which involve new and stricter information requirements. As part of deliberations on whether Sweden is to pioneer free and fair trade, viewpoints have been obtained from civil society, and further measures are being considered.

- **Tougher measures against false green claims**

Environmental claims are increasingly being used in marketing. Nevertheless, consumers can sometimes be misled regarding which environmental considerations companies have actually taken. The European Commission has produced special guidelines on making environmental claims in marketing. The Swedish Consumer Agency has commissioned a study on how environmental arguments are being used and on which markets. The study will form the basis of the Agency's supervision of the area. The Agency is also entitled to immediately stop companies engaging in unlawful marketing practices, such as false environmental claims.

## Phasing out harmful chemicals

The Government's environmental efforts include measures to ensure a toxin-free environment and reduce the risks associated with chemicals in our everyday lives. Children are particularly vulnerable to hazardous chemicals and are therefore given special priority.

- **Toxin-free everyday environment**

The Swedish Chemicals Agency has been given a renewed mandate to work on the action plan for a toxin-free everyday environment, which includes contributing to effectively regulating chemicals at EU level. The Government is pushing for the EU to ensure hazardous chemicals are phased out of the circular ecocycle as soon as possible. The Government has proposed a specific tax on hazardous chemicals in certain electronic products. Special measures are also being taken regarding microplastics, among other things. A proposal to establish a knowledge centre to produce alternatives to hazardous chemicals is currently being investigated.

## Improving security for all consumers

Strengthening social sustainability involves paying attention to consumers' different circumstances, for example based on financial situation, age, gender, disability or other personal circumstances.

- **Efforts to combat over-indebtedness**

In autumn 2015, the Government presented a strategy to combat over-indebtedness. The strategy contains augmented debt restructuring activities and instructions to the Swedish Consumer Agency to produce recommendations for municipal budgetary and debt counselling services. The Agency has also been tasked with cooperating with the Swedish Enforcement Authority and the Swedish financial supervisory authority (Finansinspektionen) to promote deeper cooperation with various stakeholders, which may help people who have, or risk having, debt problems to get their financial situation in order. In autumn 2016, the Government will receive a proposal from an inquiry on a more accountable market for quick loans and other types of consumer credit. The Inquiry into gambling licences is currently analysing whether the ban on gaming on credit needs to be stricter to combat over-indebtedness as a result of gaming and lotteries, among other things.

- **Consumers' different circumstances**

Certain consumers are more vulnerable than others to aggressive business practices, which should be taken into account to a greater extent in connection with national and EU legislation. This issue may be relevant in connection with the upcoming review of EU consumer protection legislation and in connection with measures to promote more sustainable consumption. Attention will also be paid to issues concerning consumers' different circumstances in connection with follow-ups of the

overall consumer support.

## Focusing on food, transport and housing

Three areas in sustainable consumption are particularly important: the food we consume, the means of transport we choose, and the type of housing we live in. These areas together are responsible for the greatest emissions from private consumption. The environment, our health and household finances will benefit from changing our behaviours in these areas to a more sustainable approach. The forum on eco-smart consumption will have an important role to play in this context.

- **Sustainable food**

The consumption of food, such as meat, accounts for a large share of consumers' climate impact. The Government is currently working on a food strategy. The Government also wants to see country of origin labelling of meat for restaurants and institutional catering.

- **Sustainable housing**

Operation and maintenance of housing, and housing construction and renovation, have a considerable impact on the environment, health and household finances. Energy use in housing is affected both by the choice of products and how they are used. A lot of work has been carried out and is continuing: a new joint EU-wide energy labelling scheme for household appliances is on the way; the Government is working actively to ensure clear energy and environmental requirements based on the EU Ecodesign Directive; the municipal energy and climate advisers should be able to offer target-group-tailored support; a forum for smart electricity grids has been established; and a tax credit scheme has been introduced for microgeneration of renewable electricity.

- **Sustainable transport**

A number of measures are being implemented to encourage individuals to travel by public transport, bicycle or foot. Investments are being made to improve public transport in rural areas, and state support is being provided for municipalities' work on sustainable cities and public transport in urban areas. Investments have been made to promote cycling and a cycling strategy is being drafted. In addition, further support to local climate investments has been proposed, such as investments in charging stations and biogas. The Government is working on a proposal from an inquiry on a bonus-malus system that uses a bonus

to reward the purchase of vehicles emitting relatively low levels of carbon dioxide, while vehicles emitting relatively high levels of carbon dioxide pay higher tax. In autumn 2016, a government inquiry will present proposals on tax on air travel to the Government.



Article from Ministry of Finance

# Asylum seekers to have access to bank accounts

Published 15 June 2016 Updated 29 July 2016

On 15 June, Sweden's Minister for Financial Markets Per Bolund met representatives of banks and government agencies to find ways forward that will make it easier for asylum seekers to gain access to bank accounts. During the meeting, Finansinspektionen (the Swedish financial supervisory authority) presented its response to the European Banking Authority's opinion.

"In doing this, we are taking a major step forward to enable asylum seekers to become established. Last year, a total of 27 000 people were granted an exemption from the work permit requirement, and by April this year the figure was approximately 9 000 people," says Minister for Financial Markets Per Bolund.

Asylum seekers who have AT-UND status (exemption from the work permit requirement) have encountered difficulties opening an account with Swedish banks. The reason is that many asylum seekers do not have a valid Swedish ID card and the fact that the LMA card they have been issued with by the Swedish Migration Agency as proof of asylum seeker status has not been accepted by the banks, as they then risk breaching rules intended to prevent money laundering and the financing of terrorism.

"Increasing migration flows in recent years mean that there is now a large number of people who currently have weak ties to Swedish society. The most natural way in is by starting to work," says Mr Bolund.

To be entitled to work during the time it takes to process an asylum application, asylum seekers must have a valid ID card or must have helped to verify their identity. In such cases, an exemption from the work permit requirement (AT-UND) is issued. An estimated 20–30 per cent of all asylum seekers are granted AT-UND status. This figure has risen in recent years, mainly as a result of more asylum seekers meeting the identity requirement.

## Work began in January

In January, the Ministry of Finance began work to improve asylum seekers' access to bank accounts by convening a roundtable discussion with representatives of the Swedish Bankers' Association, a number of banks, Finansinspektionen and the Swedish Migration Agency. Since then, discussions have been held between Finansinspektionen, the Swedish Bankers' Association and representatives of the banks, and between Finansinspektionen and the Swedish Migration Agency to find an approach that will enable asylum seekers with AT-UND status to access a bank account.

"The Ministry of Finance has been working on this with the relevant agencies since January to find a solution so that asylum seekers who want to work and pay tax in Sweden can open a bank account," says Mr Bolund.

## Finansinspektionen presented Swedish solution

On 15 June, Mr Bolund once again met representatives of banks and government agencies. During the meeting, Finansinspektionen presented its response to the European Banking Authority's opinion. This will provide guidance for the banks' approach in this matter. Finansinspektionen's proposals can be applied in Sweden without any legislative amendments.

"Following today's discussions there is now a consensus among the parties involved on how the proposal should be applied in Sweden, which I am very pleased about," says Mr Bolund.

This means that the banks will approve accounts on the basis of LMA cards issued by the Swedish Migration Agency and a number of verification-measures (calling back to contact numbers, attested copies of documents) for asylum seekers who have been granted an exemption from the work permit requirement (AT-UND status).





Article from Ministry of the Environment, Ministry of Finance

# Seminar on Fossil-free Sweden at COP21 in Paris: "The time to act is now"

Published 08 December 2015 Updated 08 December 2015

Minister for Climate and the Environment Åsa Romson and Minister for Financial Markets Per Bolund held a seminar on the Fossil-free Sweden initiative at the COP21 climate conference in Paris on 5 December. Participants included representatives from Stockholm, Gothenburg, Östersund, IKEA, Volvo Group and Ericsson, which are some of the actors that in a short period of time have chosen to support the initiative.

"We want to show the rest of the world how quickly a country can become fossil free, how quickly implementation can take place and how quickly the idea can be exported to other countries," said Ms Romson at the seminar.

Through the launch of the Fossil-free Sweden initiative, the Government has set a clear goal: Sweden is to be one of the world's first fossil-free welfare nations. By demonstrating that Sweden is taking responsibility at home, the Government is also issuing a call to other countries to become fossil free by intensifying their climate efforts.

Professor Johan Rockström from the Stockholm Resilience Centre took part in the seminar, emphasising that the countries that shift to fossil-free energy will send important signals to the rest of the world:

"Being a country that combines freedom from fossil fuels and prosperity will send strong signals to the rest of the world. Sweden has great potential to

become one of the world's first fossil-free nations."

IKEA was one of the first actors to take part at the seminar, and IKEA's Head of European Affairs Katarina Maaskant made it clear that the path to freedom from fossil fuels is simple:

"Having a goal of 100 per cent is a simple approach; it is clear what everyone must do."

Anders Wijkman, Chair of the Cross-Party Committee on Environmental Objectives, stressed the importance of finding more effective policy instruments for material usage and recycling. He also said that there has long been a false perception of environmental taxes and other environmental policy instruments.

"Environmentally-friendly policy instruments have often been seen as a threat to jobs. This is not true. The fact is, the very opposite is true.

Sweden has demonstrated that it is possible to pursue ambitious climate policies and achieve favourable economic growth at the same time. However, pursuing an ambitious climate policy requires good cooperation between government, the business community and other actors in society. All three cities that took part in the seminar – Östersund – Gothenburg and Stockholm, addressed the central role municipalities and cities play in the transition:

"Municipalities are key to creating a fossil-free future," said Karin Thomasson, Commissioner of Östersund Municipality and Chair of the Climate Municipalities.

"Cities account for 70 per cent of global carbon dioxide emissions – we have an important role to play," said Stockholm City's Vice Mayor for the Environment Katarina Luhr.

For global climate objectives to be successful, international cooperation between both governments and businesses is essential. Through the Fossil-free Sweden initiative, the Government wants to create a cooperation platform for Swedish actors, thereby setting a clear example for the rest of the world.

Niklas Gustafsson, Chief Sustainability Officer, Volvo Group, made it clear that we must venture to be the first:

"Volvo wants to be a leader in sustainable transport solutions. To succeed in this, we can't just do what others are doing – we must be courageous and make choices that challenge the market."

Richard Byron, senior adviser at the OECD, praised Sweden for wanting to take the lead:

"The world needs leaders who demonstrate that the transition to a fossil-free society is possible."

During the first week of the Climate Change Conference in Paris, several Swedish ministers have made it clear that Sweden is ready to take the next step in climate adaptation. Minister for Financial Markets Per Bolund explained why in his concluding presentation at the seminar:

"The knowledge and the technologies exist. Municipalities and businesses are prepared. Citizens and the economy are ready, and we know that the jobs are there. No more excuses. The time to act is now."



Government Offices of Sweden

Opinion piece from Ministry of Finance

# The sustainability revolution in finance

Published 26 December 2015 Updated 11 January 2016

Opinion piece by Minister for Financial Markets and Consumer Affairs, Deputy Minister for Finance, Per Bolund on December 26, 2015.

A quiet revolution is taking place in the financial industry. According to the United Nations Environment Programme, sustainable development is increasingly being integrated into financial decision-making.

The European Union has been rather passive so far in this transformation, but financial regulators in a number of countries are leading the charge. France recently introduced the world's first mandatory climate disclosure requirements for institutional investors. Norway is divesting its sovereign wealth fund from coal. South Africa has embedded sustainable development into listing requirements on its stock exchange.

Likewise, Brazil's banking regulations now require accounting for environmental risk. And the Swedish government is pushing an ambitious sustainability agenda featuring a series of proposals aimed at improving information for investors and determining which climate-related risks regulators and financial firms must address.

Private industry is also moving rapidly. The world's largest asset manager, Blackrock, is launching a fossil-fuel-free index, and Axa, one of the world's largest insurance companies, has pledged to divest from coal.

Meanwhile, the divestment movement is snowballing, with faith-based communities, municipalities, celebrities, trade unions, universities and institutional investors all pledging to unload their fossil-fuel assets. Altogether, institutions worth more than \$2.6 trillion have committed to

divest from fossil fuels.

The revolution may be quiet, but it is getting louder. Fossil-fuel companies are increasingly being delegitimized; their current business model is irreconcilable with a climate-conscious investment portfolio.

At the same time, investors are starting to understand that paying attention to climate risk is an integral part of a sound investment strategy that seeks to minimize risk and help to promote financial stability. Axa's CEO Henri de Castries has endorsed such motives, stating that divesting from coal helps remove risk from investment portfolios and contributes to building a more sustainable society.

Bank of England Gov. Mark Carney has been particularly frank in highlighting the dangers that climate change poses to financial markets. In a speech at Lloyd's of London in September, he cautioned that a delayed transition to limit global warming to 2 degrees Celsius would increase risks to financial stability. A range of institutions has echoed his warning.

Meanwhile, McKinsey and the Carbon Trust have estimated that 30 to 40 percent of the value of fossil-fuel companies could be endangered because of a "carbon bubble," an overvaluation of fossil-fuel reserves.

According to the International Energy Agency, two-thirds of these reserves must be kept in the ground if the world is to avoid runaway climate change, which implies that companies may not be able to exploit their full economic potential. Given that the European financial sector has invested more than €1 trillion (\$1.1 trillion) in fossil-fuel assets, the EU is particularly at risk of a carbon bubble.

The issue has become serious enough that European Central Bank President Mario Draghi has asked the European Systemic Risk Board to investigate it. Financial regulators in Sweden, Germany, the Netherlands and the United Kingdom are all studying the impact of climate change on financial markets. The Group of 20 has also asked the Basel-based Financial Stability Board to convene a public-private inquiry into the carbon bubble.

Last September, European Commissioner Jonathan Hill published his long-awaited Capital Markets Union proposal. But while his call for more integrated and diversified capital markets in the EU is admirable, his proposal lacks both a road map for the integration of sustainable development into the financial system and a strategy for addressing the

carbon bubble.

The European Parliament and the European Council have the opportunity to improve Hill's proposal. The parliament has already established an informal cross-party grouping, called the Carbon Group, which aims to tackle the carbon bubble and advance sustainable finance. And within the council, a range of countries, most notably Sweden and France, are working for greater integration of sustainability metrics into financial markets.

A range of institutions are starting to embrace sustainable development considerations in their financial decision-making. Policymakers — especially in the EU — have a responsibility to advance such forward-looking thinking and to protect the global economy from climate-induced financial distress.



Press release from Ministry of Enterprise and Innovation, Ministry of Finance

# Further extension of business emergency package 'Företagsakuten'

Published 10 December 2020

The Government today proposed extending the government credit guarantee programme 'Företagsakuten' into 2021 so as to cover lending after 31 December. The programme is intended to facilitate lending to small and medium-sized companies affected by the pandemic. The Företagsakuten programme was launched in spring 2020 as part of the Government's measures to support the business sector during the ongoing pandemic and builds on an agreement between the government parties, the Centre Party and the Liberal Party.

Although the economic outlook has improved, uncertainty remains concerning economic development, not least for a number of vulnerable sectors such as the tourism and hospitality industry and transport. The Government has therefore chosen to extend Företagsakuten as part of its support to small and medium-sized companies in 2021. The programme means that government credit guarantees can be provided until 30 June 2021.

The credit programme is a way to help maintain the supply of credit to small and medium-sized companies while uncertainty regarding development of the economic situation remains. As of 27 November, 684 loans had been

issued with government credit guarantees amounting to a total of SEK 2.4 billion. Most of the loans were paid during the acute phase of the pandemic in spring 2020, when Företagsakuten guaranteed a significant part of all lending to the country's small and medium-sized companies.

It is proposed that the guarantee framework be halved in 2021 from SEK 100 billion to SEK 50 billion, which in light of the current economic uncertainty is considered to be an adequate level. Since central government bears 70 per cent of the risk, this means that loans from banks that can be guaranteed if the programme is used to the fullest extent could amount to SEK 71.4 billion.





Press release from Ministry of Finance

# Additional crisis measures for businesses

Published 09 November 2020

Several measures taken to support Swedish jobs and businesses through the crisis will be extended. These include short-term lay-offs, deferral of tax payments, reorientation support and turnover-based support to sole traders. The proposals are based on an agreement between the government parties, the Centre Party and the Liberal Party.

## Short-term lay-offs extended by up to seven months

Short-term lay-offs may currently be granted for a maximum of nine consecutive months. The Government will propose that this time limit be temporarily removed until 30 June 2021. In practice, this means that short-term lay-offs granted in 2020 can be extended by up to a further seven months, or until 30 June 2021 at the latest.

Up until 30 June 2021, support will continue to be strengthened compared with the ordinary statutory levels. In January, February and March, the subsidy rate will be 75 per cent, which is the same rate as this year. In April, May and June, the subsidy rate will be 50 per cent. For December 2020, the subsidy rate is 75 per cent, according to current rules.

The extension will be combined with stricter processing of applications for approval of support to ensure that support is only provided to employers meeting the requirements and that abuse does not occur.

The Government will also propose that the administrative appropriation to

the Swedish Agency for Economic and Regional Growth be strengthened by a total of SEK 450 million.

## Reorientation support for three additional months

The Government will propose that reorientation support be extended so that it can also be sought for August–October 2020. This support is aimed at businesses that have lost at least 50 per cent of their turnover during this period, compared with the same period in 2019.

A maximum of SEK 30 million in support will be provided per business, which is in line with the European Commission's temporary framework for state aid measures for COVID-19-related support. This support requires notification to and state aid approval by the European Commission.

The Government previously introduced reorientation support for support periods between March and July.

## Turnover-based support to sole traders for a further three months

On 5 November, the Government decided on a new turnover-based support for sole traders. This support concerns turnover reduction in March–July 2020 and can be applied for on the National Board of Housing, Building and Planning website from next week. In view of the developments regarding the ongoing pandemic, the Government and its support parties have already agreed to propose that this support be extended to include turnover reductions in August–October 2020 as the basis for support. There will be a new application round for the extension.

To qualify for support, net turnover during the support period must have decreased by more than 50 per cent compared with net turnover during the corresponding period in 2019. If the loss of turnover exceeds this level, the sole trader may receive compensation for 70 per cent of their loss of turnover, or a maximum of SEK 72 000 per business, for the new support period. This support can be sought by sole traders whose turnover exceeded SEK 200 000 in 2019.

## Extension of tax payment deferral

As early as March this year, the Government introduced a possibility for

businesses to defer tax payments for one year. It applies, for example, to payments of employers' social security contributions and value added tax. To date, the Swedish Tax Agency has made around 100 000 deferral decisions. The Government will propose that the deferral period be extended by a further year for businesses that have been granted a deferral under the new regulations. It is proposed that such an extension may be granted on application, unless there are particular reasons for not doing so.

## Extended easing of unemployment insurance for business operators

The Government will propose that the temporary changes to unemployment insurance for business operators be extended to also apply in 2021. This means that business operators who make their business dormant in 2021 will also be exempted from the rule that at least five years must pass before a new dormancy period can begin. In June 2020, the Government also adopted a legislative amendment that enabled business operators to undertake certain limited measures in their business and still receive unemployment benefit. This temporary rule will also be extended to apply in 2021. The aim is to make it easier for business operators to restart their operations at a later date.

The proposals announced will be submitted early next year in an amending budget for 2021.



Government Offices of Sweden

Press release from Ministry of Enterprise and Innovation, Ministry of Finance

# Government extends business emergency package, Företagsakuten

Published 09 October 2020

On September 24 the Government decided to extend until the end of the year the government credit guarantee programme aimed at supporting small and medium-sized enterprises that have experienced financial difficulties due to the COVID-19 pandemic. The programme was launched in the spring as part of the Government's measures to support the business sector during the ongoing pandemic and builds on an agreement between the government parties, the Centre Party and the Liberal Party. As a result of this decision, the option for businesses to take part in the credit guarantee programme applies to loans granted until 31 December 2020.

On 26 March, the Government instructed the Swedish National Debt Office to take preparatory measures and implement a government credit guarantee programme. Credit guarantees totalling a maximum of SEK 100 billion may be issued to credit institutes that operate in Sweden for loans primarily to small and medium-sized enterprises that have experienced financial difficulties due to the COVID-19 pandemic, but that are otherwise considered viable. The programme is a way to enable a temporary extension of loan provision to businesses, which will help their liquidity. Central government sharing the credit risk with the banks can make it easier for

businesses to obtain loans.

The guarantees for loans taken within the programme are valid for up to three years. Central government bears 70 per cent of the risk of loans. Until 11 September, SEK 2.24 billion in credit had been guaranteed within the programme, spread across 615 loans.



Government Offices of Sweden

Press release from Ministry of Enterprise and Innovation, Ministry of the Environment, Ministry of Finance, Ministry of Infrastructure

# Green recovery will lift Sweden out of dual crisis

Published 16 September 2020

Global warming continues regardless of the COVID-19 pandemic. Climate change will remain the defining issue of our generation. The Government is therefore proposing investments of SEK 9.7 billion in green recovery initiatives in the Budget Bill for 2021. The Government's proposals are based on an agreement between the government parties, the Centre Party and the Liberal Party.

All of Sweden has come together to tackle the COVID-19 pandemic and reduce the spread of infection. It is now crucial that a green transition forms the basis of the recovery after the crisis. Investments in industry's climate transition, sustainable transport and biodiversity will help us emerge from the crisis. Investments in climate neutral and non-toxic circular solutions throughout the country will reduce carbon dioxide emissions, lay the foundation for new jobs and strengthen our competitiveness.

## Industry's transition will lead to new jobs

The Government proposes several major industrial initiatives in the Budget Bill for 2021 that can reduce emissions, create new jobs and strengthen competitiveness. Public sector investments in green transition will help us create jobs throughout Sweden and lay the foundation for industry's transition.

By means of the green credit guarantees, the Government can promote

major industrial investments that contribute to achieving the goals of the environmental objectives system and the climate policy framework. The Green Industry Leap will be developed and broadened to allow more investments in facilities that reduce industrial emissions and contribute to the transition to a fossil-free and circular society. Through shorter processing times for the expansion of electricity networks and complete tax exemption for more actors who produce their own electricity, more stakeholders will be included in the transition.

## Increased biodiversity and other initiatives for Sweden's natural environment

One million species are at risk of extinction. In Sweden, the number of species at risk of disappearing has increased by 11 per cent over the past five years. This crisis is impairing the conditions for human life on our planet and is reinforced by climate change.

The Government proposes an initiative targeting Sweden's natural environment. This initiative will help stop species extinction and includes measures to protect and manage valuable natural habitats and reinforce efforts for clean seas and water. It includes funds for sustainable fisheries and a ban on bottom trawling in protected areas. The possibility of limited exceptions may be provided in the management plan.

Part of the Government's initiative will also go to restoring wetlands. Emissions from drained peatlands that were previously wetlands account for 11 million tonnes of carbon dioxide equivalents – which is more than from private cars in Sweden. Restoring wetlands prevents the emission of greenhouse gases into the atmosphere, so that nature does the climate work for us.

## Sustainable transport reduces emissions

Domestic transport accounts for about one third of Sweden's greenhouse gas emissions, and the pace at which emissions are reduced must be considerably increased until 2030. The Government proposes initiatives in the Budget Bill for 2021 so that it is easier for both private individuals and companies to reduce emissions.

The transition to a fossil-free vehicle fleet will be reinforced by means of changes to the bonus-malus system. The reduction obligation will be

tightened so that more renewable fuels are mixed in with petrol and diesel, and so that long-term conditions are created for the production of Swedish biofuels. A major investment is being made in railways in the form of greater maintenance. To continue pushing for the transfer of freight transport from roads to rail, the Government proposes extending and further developing the environmental compensation. Green Cargo is currently facing a challenging financial situation, which is further aggravated by the ongoing pandemic. Green Cargo will receive a capital injection so that necessary investments can be made and to ensure the company's long-term stability and profitability. This capital injection is given in light of the environmental compensation for rail freight transport simultaneously proposed to the Riksdag.

## Energy efficiency in housing

The Government considers major investments are still needed both to achieve better energy performance and to address the renovation needs of the existing building stock. The Government will therefore provide SEK 900 million for 2021 to a new form of support for energy efficiency improvements and renovation of apartment buildings.

## Initiatives for local green transition

The Government proposes initiatives to support local and regional efforts for a green transition. This includes municipal energy and climate advisory services, and measures to reduce the risk of landslides.

## Improved climate projections and international climate action

The Government also proposes initiatives to support national and international environmental and climate action in the Budget Bill for 2021.





Government Offices of Sweden

Press release from Ministry of Enterprise and Innovation, Ministry of Finance

# Recapitalisation of SAS AB

Published 16 July 2020

On 30 June, SAS presented a plan for the recapitalisation of the company and a plan to accelerate its climate action, including the halving of emissions by 2030. The Government has the Riksdag's mandate to participate in the recapitalisation on behalf of the Swedish State during 2020 to an amount not exceeding SEK 5 billion. The Government supports the plan that has now been put forward and the measures necessary for its realisation.

“SAS is important to meeting society's fundamental needs in terms of accessibility by air travel in Sweden, Denmark and Norway. As the largest owner of SAS, it is natural that the Swedish State takes responsibility in this crisis, but responsibility will also be required from other stakeholders. It is crucial that SAS becomes a long-term profitable and sustainable company after this crisis,” says Minister for Business, Industry and Innovation Ibrahim Baylan.

“The Government has imposed strict climate and environmental requirements on SAS in conjunction with its recapitalisation. As a consequence of these, the company is now sharpening its climate targets and will now decrease carbon dioxide emissions by 25 per cent by 2025, five years earlier than previously planned. It is very positive that SAS considers that emissions can be reduced by 50 per cent by 2030. This target must be achieved and, as an owner, the Government will continue its dialogue with the company on these issues. Aviation emissions must decrease,” says Minister for Financial Markets and Housing Per Bolund.

The participation of the Swedish State is conditional on the company proceeding with the conversion of debt into equity that is proposed in the recapitalisation plan, and that the European Commission approves the measures.



Government Offices of Sweden

Press release from Ministry of Finance

# Framework for sovereign green bonds in place

Published 05 June 2020

The Government has adopted a framework that will enable an issue of sovereign green bonds. This will be the first time sovereign green bonds have been issued in Sweden. The Swedish framework has been awarded the highest possible environmental grade by the independent reviewer.

The framework will offer investors a transparent way to ensure that bonds are green. The Swedish National Debt Office will issue the bonds at an appropriate time during 2020.

The framework describes how eligible expenditures are defined, selected, recorded and reported, and is a necessary component for an issue of green bonds. Investors must be able to easily and clearly monitor which expenditures the bond they purchase is linked to, and what climate and environmental effects can be expected.

The Government has also decided which budget expenditures are to be linked to the green bonds. This expenditure portfolio will set an issue volume ceiling of SEK 30 billion.

The Swedish framework has been awarded the highest possible environmental grade by the independent reviewer.

In the next stage, based on the objective for central government debt policy the Swedish National Debt Office will decide the exact volume, term of validity and timing of the bond issue.

The framework is based on an agreement between the Swedish Social Democratic Party, the Centre Party, the Liberal Party and the Green Party.



Press release from Ministry of Finance

# New measures to strengthen care of the elderly and health care during the COVID-19 crisis

Published 12 May 2020

As a consequence of the COVID-19 pandemic, the Government, the Centre Party and the Liberal Party are today presenting new measures. A boost for care of the elderly is being implemented that means that employees in care of the elderly will be offered paid education and training during working hours. This will lead to more permanent positions.

The COVID-19 pandemic has affected an already strained staffing situation for health and social care, not least in care of the elderly. At the same time, employment has declined in many other sectors as a result of redundancy notices and job cuts. To improve the supply of staff and make it more attractive to seek jobs in care of the elderly, a boost for care of the elderly is being implemented that means that employees in care of the elderly will be offered paid education and training during working hours.

For those who require it, it will be possible to combine employment with training to become nursing assistants or auxiliary nurses during paid working hours. Central government will finance the costs for the time the employee is absent due to studies. The initiative comprises SEK 2.2 billion in 2020 and 2021. It is in line with the proposal presented by the Swedish Association of Local Authorities and Regions and the Swedish Municipal Workers' Union, which made the assessment that 10 000 people could be included.

To ensure that there are sufficient education and training places, the Government is also injecting funds so that 10 000 people can attend

education and training focused on health and social care at regional vocational adult education institutions during the fourth quarter of 2020 if they study part-time. These places will be wholly funded by central government in 2020. Municipalities will fund 30 per cent of the education and training places that are sought for 2021.

In addition to this, it is proposed that folk high school vocational education and training be expanded with approximately 1 000 new half-year places in 2020, also with a focus on health and social care. It is proposed that central government wholly funds this expansion and no regional co-financing will be needed.

## **Further funds to compensate municipalities and regions for extraordinary costs**

The Riksdag has previously adopted a Government proposal under which municipalities and regions will be compensated for additional costs associated with the COVID-19 pandemic. To ensure that the funds are sufficient, it is now proposed that a further SEK 2 billion be provided. The investment thus amounts to a total of SEK 5 billion. The Government is following developments closely and stands ready to inject further funds to the appropriation if necessary.

## **Additional funds to the National Board of Health and Welfare and the Public Health Agency of Sweden**

It is proposed that the National Board of Health and Welfare receives an additional SEK 97 million in 2020, primarily to cover the costs of its own staff and hired staff, as well as stockpiling of material.

The Public Health Agency of Sweden will also receive more funds this year to strengthen and develop its work as a result of the COVID-19 pandemic. An additional SEK 28 million will fund increased staffing and more in-depth analytical work.



Press release from Ministry of Finance

# Reinforced measures for employees and businesses

Published 07 May 2020

Several of the economic measures presented by the Government, the Centre Party and the Liberal Party to mitigate the impact of the virus outbreak will be reinforced, including reimbursement for the first day of sickness and central government responsibility for businesses' sick pay costs. In addition, the ceiling for unemployment benefits will be raised from day 101.

A total of five measures are now being reinforced. The impact on public finances of these measures – which are based on an agreement between the Swedish Social Democratic Party, the Centre Party, the Liberal Party and the Green Party – is expected to be SEK 14.7 billion.

## Higher ceiling for unemployment insurance benefits from day 101

It is proposed that the ceiling for income-related benefits from unemployment insurance funds be raised – from SEK 760 to SEK 1 000 per day – from benefit day 101 and onwards. This increase is temporary and will apply from 29 June 2020 until 3 January 2021. The Government has previously raised the level of benefits for days 1 to 100. This measure will cost SEK 1.1 billion.

## Extended reimbursement for the first day of sickness

It is proposed that reimbursement for the first day of sickness, which originally would have applied until 31 May, be extended for four months

until 30 September. The standard compensation will also be increased by SEK 104 from 1 June. This means that from that date, a person who has been sick and has had the standard deduction for sick days taken from their pay can apply for the standard compensation of SEK 804 from the Swedish Social Insurance Agency. This measure will cost SEK 3.2 billion.

## Continued suspension of medical certificate requirement

It is also proposed that the suspension of the medical certificate requirement be extended until 30 September to reduce the pressure on health care services. The temporary rules mean that a person does not need a medical certificate to verify their sick leave for the first 14 days of sickness in order to receive sick pay or sickness benefit, compared with the ordinary rules requiring that a medical certificate be provided from the eighth day of sickness. This measure will cost SEK 1.1 billion.

## Central government responsibility for sick pay costs extended and adjusted

It is proposed that the state aid to cover businesses' sick pay costs be extended as it was for April and May so as to also include June and July. From 1 August until 30 September, central government will compensate employers for higher sick pay costs due to the COVID-19 pandemic. The Government is currently preparing the details of the proposal. This measure will cost SEK 9 billion.

## Continued compensation for sole traders in case of sickness absence

It is proposed that the financial support to sole traders who are sick be extended from 31 May until 30 September. Under this initiative, sole traders with an F-tax card are entitled to standard compensation of SEK 804 per day for days 1 to 14 of their sickness period. This measure will cost SEK 250 million.





Press release from Ministry of Finance

# Businesses to receive support based on loss of turnover

Published 30 April 2020

The Government, the Centre Party and the Liberal Party today presented an additional measure to mitigate the impact of the virus outbreak on Swedish jobs and businesses. The measure involves reorientation support totalling SEK 39 billion.

The aim of the support is to make it possible for businesses to weather the acute crisis while making it easier for them to reorient and adapt their activities. This could apply to restaurants that need to sell more food via takeaway orders or taxi companies that can start making deliveries. It could also involve major manufacturing companies that reorient their production to products such as health care materials.

The size of the support will depend on how large a loss of turnover a business has had and may vary between 22.5 and 75 per cent of the business's fixed costs excluding wage costs for March and April 2020.

To be eligible for the support, the business must have had a turnover of at least SEK 250 000 during the past financial year and a loss of turnover of at least 30 per cent. The loss of turnover is calculated on the basis of March and April 2020 compared with the same months last year.

Businesses and organisations that have F-tax will be eligible to apply for the support, which will be paid via the Swedish Tax Agency. The support will not be paid to businesses that are resident in a tax haven. It is proposed that the maximum amount be set at SEK 150 million per business.

The Ministry of Finance's calculations show that almost 180 000 businesses

may be entitled to the support. The impact on public finances is estimated to be SEK 39 billion in 2020.

While working to prepare the proposal, the Government will conduct a dialogue with the European Commission. The proposal may need to be approved by the Commission from a state aid perspective. The Government will therefore provide more information on the specific design of the support and how and where to apply at a later date.

The Government will submit the proposal in an additional amending budget and is working to ensure that it can enter into force on 1 July 2020. It is based on an agreement between the Swedish Social Democratic Party, the Centre Party, the Liberal Party and the Green Party.



Government Offices of Sweden

Press release from Ministry of Finance

# Swedish Financial Supervisory Authority to monitor climate reporting of financial market actors

Published 23 April 2020

The Swedish Financial Supervisory Authority is to work to ensure that the financial system contributes to sustainable development. Climate change is central to this work as it has a major global impact and clear connections to financial stability.

The Government has instructed the Swedish Financial Supervisory Authority to monitor climate reporting by financial market actors and how loans and investments relate to the Paris Agreement's 1.5-degree target.

“I am looking forward to gaining a good overview of how banks and fund managers are exposed to climate risks and the extent to which these actors are contributing to achieving the Paris Agreement's 1.5-degree target. The analysis of the Swedish Financial Supervisory Authority will constitute important background material for taking further measures,” says Minister for Financial Markets Per Bolund.

The Swedish Financial Supervisory Authority's assignment also includes contributing to the development of tools and methods that facilitate the process for Swedish financial market actors to measure and report effects on the climate and to integrate climate aspects and the Paris Agreement's 1.5-degree target in their strategies.

The Swedish Financial Supervisory Authority is to actively engage in international cooperation and work for increased and improved measurement and reporting of climate risks and climate effects internationally. The

Authority is also to take responsibility for the implementation of appropriate measures within the framework of the voluntary initiative supported by the Government in connection with the Climate Action Summit in New York in September 2019: Enhancing transparency and aligning private financial flows with the Paris Agreement.

The Swedish Financial Supervisory Authority is to present its report on the assignment to the Government by 22 March 2021.



Government Offices of Sweden

Press release from Ministry of Finance

# Scaling up crisis measures for jobs and businesses

Published 14 April 2020

The Government, the Centre Party and the Liberal Party are now presenting further measures to alleviate the impact of the virus outbreak on jobs and the economy in Sweden. The ongoing pandemic is having a major impact on the Swedish economy. The focus of the crisis packages already presented has been to get measures in place quickly. Today sees the presentation of improvements to the system for short-term layoffs so that it will be even more impactful.

The Government will present the proposals to the Riksdag in an additional amending budget in mid-May. The proposals are based on an agreement between the Swedish Social Democratic Party, the Centre Party, the Liberal Party and the Green Party.

## Scaling up the system of short-term layoffs

It is proposed that the system of short-term layoffs be temporarily reinforced. The proposal means that employers will now be able to reduce their employees' working hours by up to 80 per cent and that central government will cover a clear majority of the cost. This reinforcement of the system will apply for three months from 1 May 2020.

## Employer's costs to be significantly reduced

The new system means that costs will be reduced even more for employers. The wage costs for an employee will be reduced by over 70 per cent while workers retain almost 90 per cent of their original wage. Combined with the reduced employers' social security contributions, employers can be unburdened from up to 86 per cent of total wage costs during May and June.

## Significant increase in control mechanisms

A higher compensation rate also requires greater control. The Government will provide resources equivalent to 130 members of staff to the Swedish Tax Agency to check businesses that receive support for short-term layoffs. This will be achieved through more unannounced checks of staff registers, for example.

The Government Offices is also reviewing the possibilities of introducing other measures to strengthen checks in order to prevent the system being abused.



Press release from Ministry of Finance

# Field hospitals to be exempted from building permit requirement due to COVID-19

Published 03 April 2020

The Government is proposing temporary exemptions to allow field hospitals and temporary buildings to be constructed if the spread of a disease that poses a threat to society means that health and medical care facilities are insufficient to meet the need for care. A proposal entitled ‘Exemptions from the Planning and Building Act in the event of the spread of a disease that poses a threat to society’ was referred to the Council on Legislation.

On Thursday 26 March, the National Board of Housing, Building and Planning presented a written communication to the Government Offices in which it pointed to a need to amend the Planning and Building Act to make it easier for government agencies, regions and municipalities to manage the current pandemic.

Under the Planning and Building Act, building permits may be required to build field hospitals or to arrange care places in buildings ordinarily used for some other purpose. Building permits may also be required to erect tents and other temporary buildings that are needed due to the spread of the COVID-19 virus, for example adjacent to hospitals and health centres.

“The building permit requirements must not delay or obstruct the regions’ efforts to arrange care places. This is why the Government is now proposing a legislative amendment. Under the proposal, the Government would be able

to decide on exemptions to the Planning and Building Act to manage COVID-19,” says Minister for Financial Markets and Housing Per Bolund.

Under the proposal, the Government would also be able to decide on exemptions to several other requirements in the Planning and Building Act, including the requirement that buildings be designed and placed taking account of certain public interests. Exemptions will also be possible from the requirement that a building must comply with what has been decided in a municipal detailed development plan.

It is proposed that the legislative amendment enter into force on 1 May 2020. The Government's regulations could also be applied retroactively. This means that the exemptions would also cover temporary buildings that might already have been built without a building permit.





Press release from Ministry of Finance

# Further additional funding to municipalities and regions

Published 02 April 2020

Many municipalities and regions have been hit hard financially by the ongoing outbreak of COVID-19. The Government, the Centre Party and the Liberal Party therefore intend to propose additional funding totalling SEK 22 billion in the spring amending budget for 2020, which will be presented on 15 April. This additional funding will be provided both as increased general government grants and an increased amount to cover additional health care and social services costs.

## Increased general government grants this year and in the years ahead

It is proposed that municipalities and regions receive an additional SEK 20 billion in general government grants this year, rather than the SEK 5 billion previously announced by the Government. This new additional funding of SEK 15 billion for 2020 is being provided to strengthen the ability of the local government sector to maintain essential services such as health care, education, social services and public transport.

Of the total increase of SEK 20 billion, SEK 12.5 billion is a permanent increase in appropriations; in other words, this is money that municipalities and regions will also have at their disposal in the years ahead.

## Increased funds to compensate municipalities and regions for extraordinary costs

The Riksdag has adopted a Government proposal under which municipalities and regions will be compensated for additional costs associated with the COVID-19 outbreak. The Government now expects that the costs will be higher than previously estimated. This is why an additional SEK 2 billion has been proposed, bringing the total to SEK 3 billion. The high demand for personal protective equipment and intensive care beds is the main reason that higher costs for health care and social services are expected.

## More flexible rules for the 'waiting list billion'

The Swedish Association of Local Authorities and Regions (SALAR) has requested more flexible rules for the 'waiting list billion'. The Government will therefore propose that large parts of the performance requirements be temporarily removed for 2020. This means that around SEK 2 billion that previously would only have been paid to the regions meeting these requirements will be paid to all regions based on the size of their population. The Government is now entering into a dialogue with SALAR on this issue.

## Other measures in the spring amending budget

The outbreak of the COVID-19 virus has led to a sharp increase in the number of calls to 113 13, the crisis information number run by SOS Alarm. The Government therefore proposes that appropriations to SOS Alarm be increased by SEK 15 million in 2020 to finance additional staffing costs resulting from the increased pressure on its services.

The Government is also looking at several different ways of reducing the administrative burden on the local government sector and making management of the COVID-19 virus easier, for example, by changing follow-up and reporting requirements for targeted government grants and agreements. Intensive and wide-ranging efforts are ongoing and the Government intends to make more concrete proposals when practicable.

The proposals are based on an agreement between the Swedish Social Democratic Party, the Centre Party, the Liberal Party and the Green Party.



Government Offices of Sweden

Press release from Ministry of Education and Research, Ministry of Employment, Ministry of Finance

# Crisis package for jobs and transition

Published 30 March 2020

The Government, the Centre Party and the Liberal Party are now presenting further measures to alleviate the impact of the virus outbreak on jobs and the economy in Sweden.

The ongoing virus outbreak is having a major impact on the Swedish economy and many people have become, or risk becoming, unemployed. To alleviate the impact on the labour market, a crisis package for jobs and transition is now being presented.

The Government will shortly present the proposals to the Riksdag in an additional amending budget and in the coming spring amending budget. The proposals are based on an agreement between the Swedish Social Democratic Party, the Centre Party, the Liberal Party and the Green Party.

## Temporary reinforcement of unemployment insurance

Even with the powerful measures taken so far to combat the economic impact of the virus outbreak, unemployment is expected to rise sharply. This means that unemployment insurance will have to be adapted. The requirements concerning who can receive money from an unemployment insurance fund will be temporarily relaxed in terms of how much people need to have worked and how long people need to have been a member of a fund. At the same time, it is proposed that both the highest and the lowest amounts paid out by an unemployment insurance fund be raised temporarily to alleviate the economic impact on people who become unemployed. It is also proposed that the six initial qualifying days be removed and that the

unemployment insurance funds receive funding for administration.

## More active labour market policy

To better address a development in which more people are expected to become unemployed, it is proposed that increased funding be paid to Arbetsförmedlingen (the Swedish public employment service) and labour market policy programmes. It is proposed that the period during which a person may have an 'extra job', a new start job or an introductory job be extended by an additional year for those who already have such jobs. It is also proposed that the maximum time for support for starting a business be extended from six to twelve months. In addition, it is proposed that municipalities receive grants for more summer jobs for young people and funding for green jobs to enable subsidised employment, primarily in the area of nature and forest conservation.

## More places and more distance learning at higher education institutions

To increase opportunities to study at higher education institutions, it is proposed that the number of places be increased. A general expansion of the number of places is proposed, as are more places on summer courses and a foundation year so that unemployed people, and others, have the opportunity to obtain eligibility to enter into further education/training, for example in health care professions. In addition, increased funding is also proposed to strengthen capacity and develop work on distance learning at higher education institutions. Funding will also be allocated for internet-based education, also known as MOOCs (massive open online courses), which is free of charge and open to the public. Anyone who is given notice of the termination of their contract will be able to use these courses to quickly begin knowledge acquisition. To compensate for increased workload, it is also proposed that the Swedish Council for Higher Education and the Swedish Board of Student Finance receive increased funding.

## More opportunities for vocational education and training throughout the country

At a time when unemployment is expected to rise, there will be a need for better opportunities for further education/training throughout the country. It is proposed that funding to regional vocational adult education increase, with

the surplus enabling full central government financing of education. It is proposed that vocational higher education be reinforced with new places, short courses and course packages, as well as various kinds of pilot projects so that more people can complete their qualification. It is proposed that folk high school be expanded, with full financing from central government. In addition, improved possibilities are proposed for distance learning, partly through additional support to education providers in vocational higher education in terms of distance teaching, and partly by making more distance courses available via study associations.

## Removal of income ceiling for student aid

So that health and medical care students can help out in the health care sector without their student aid being reduced, it is proposed that the income ceiling for all those receiving student aid be temporarily removed.



Government Offices of Sweden

Press release from Ministry of Enterprise and Innovation, Ministry of Finance

# Crisis package for small enterprises in Sweden

Published 25 March 2020

The Government is now presenting additional measures to mitigate the economic impact of the COVID-19 virus outbreak. The proposals are based on an agreement between the Swedish Social Democratic Party, the Centre Party, the Liberal Party and the Green Party.

To mitigate the impact on the Swedish economy, a crisis package for businesses and jobs, and several other measures, was presented earlier. To particularly alleviate the impact for small and medium-sized enterprises, a crisis package is now being presented for Swedish entrepreneurs.

## Central government emergency package for affected small and medium-sized companies to be established

A central government loan guarantee has been proposed to make it easier for companies to access financing. The proposal means that the central government will guarantee 70 per cent of new loans banks provide to companies that are experiencing financial difficulty due to the COVID-19 virus but that are otherwise robust. The guarantee will be issued to banks, which in turn will provide guaranteed loans to companies.

The loan guarantee primarily targets small and medium-sized enterprises. However, there is no formal limit on company size to take part in the programme. The Government expects that the guaranteed loans will not be used for bonuses or variable remuneration to senior officers of the company, or for profit withdrawals other than what is comparable to a regular salary withdrawal.

The Swedish National Debt Office will administer the guarantee and it is proposed that each company be allowed to loan up to SEK 75 million, although exceptions can be made. The banks will pay a guarantee fee to the Swedish National Debt Office for guarantees that are issued. The fee will be determined on the basis of the borrower's actual risk class, which is set by the credit institution. The risk assessment will be carried out in accordance with the credit institution's credit assessment process.

If a credit guarantee has to be redeemed, the central government will pay the guaranteed loan amount, which will impair the central government budget balance and net lending. The guarantee fees that will be charged mean that the central government budget balance and net lending will be slightly improved. It is very difficult to assess the situation, but overall the guarantee system is expected to be self-financed in the long term.

The loan guarantees should be provided as soon as possible; this is why the Government is preparing the proposal tomorrow for prompt consideration by the Riksdag. The European Commission is also prepared for rapid consideration and approval.

Enterprises can apply for a loan with a government credit guarantee by contacting a bank.

## Temporary reduction of employers' social security contributions and individual contributions

A temporary reduction of employers' social security contributions will be proposed for the period 1 March to 30 June 2020 so that only the old age pension contribution is paid. It is proposed that this reduction should apply to up to 30 employees and on that portion of the employee's wage that does not exceed SEK 25 000 per month. This entails tax relief of up to SEK 5 300 per employee and month. To provide equivalent relief to sole traders, a reduction of individual contributions is also proposed. The proposal's cost to public finances are estimated to SEK 33 billion.

## Temporary discount for rental costs in vulnerable sectors

To reduce costs for companies with considerable difficulties as a result of the COVID-19 virus – in sectors such as durable consumer goods, hotels, restaurants and certain other activities – the Government proposes providing support that aims to facilitate and speed up renegotiation of rents. The

approach is that central government will cover 50 per cent of the rental reduction up to 50 per cent of the fixed rent.

The support can be applied for after the fact and will apply for the period 1 April until 30 June 2020. SEK 5 billion is being allocated for this.

## Measures targeting small enterprises

A future proposal is that the rules for tax allocation reserves will be temporarily changed so that sole proprietors severely affected by the COVID-19 outbreak will receive tax cuts. The new rules mean that 100 per cent of the taxable profits for 2019, up to SEK 1 million, can be set aside in the tax allocation reserve, which can then be set off against possible future losses. This means that many people can get back the preliminary tax they paid in 2019. This proposal concerns sole traders and natural persons who are partners in Swedish partnerships. The proposal is expected to result in a maximum liquidity reinforcement of more than SEK 13 SEK billion.

Moreover, the previously presented proposal on new opportunities to defer tax payments will be expanded. This means that value added tax reported annually from 27 December 2019 until 17 January 2021 will also be covered by the proposal. In this way, many sole proprietors can defer their VAT payments that otherwise should be paid during the spring, such as on 12 May. Depending on how the situation develops, the proposal can encompass more than SEK 7 billion if the entire liquidity reinforcement is used.

Companies that are made dormant in the case of unemployment are exempted in 2020 from the rule that a company can only be made dormant once during a five-year period.

The proposal will be presented to the Riksdag shortly in an additional amending budget.





Press release from Ministry of Enterprise and Innovation, Ministry of Finance, Ministry for Foreign Affairs

# Increased loan facilities and credit guarantees for Swedish businesses

Published 23 March 2020

On 20 March, the Government, the Centre Party and the Liberal Party presented further measures to mitigate the impact of the virus outbreak on Swedish jobs and businesses.

A range of measures were presented to make it easier for Swedish businesses, particularly small- and medium-sized businesses, to access finance at this difficult time.

- Almi Företagspartner AB will receive a capital contribution of SEK 3 billion to increase its lending to small- and medium-sized businesses throughout the country. This reinforcement of the loan fund will increase Almi's preparedness to meet the needs of businesses whose activities have been adversely affected by the coronavirus outbreak.
- The Swedish Export Credit Corporation's credit framework will be increased from SEK 125 billion to SEK 200 billion and can be used to provide both state-supported and commercial credit to Swedish export companies. These measures, along with the cancelled dividend payouts announced on 19 March, give the Swedish Export Credit Corporation enhanced opportunities to meet the export industry's increased demand for credit.
- The Swedish Export Credit Agency promotes Swedish exports and the competitiveness of Swedish industry by providing guarantees that facilitate the financing of purchases of Swedish goods and services. Increased credit guarantees totalling SEK 500 billion and lower risk for

banks will provide new and improved credit opportunities for companies. A new guarantee for faster and more secure payment to Swedish export companies will also be introduced. This will apply to small- and medium-sized export companies, major export companies and their suppliers.

The proposals are based on an agreement between the Government, the Centre Party and the Liberal Party.



Press release from Ministry of Finance

# Crisis package for Swedish businesses and jobs

Published 16 March 2020

The Government is now presenting additional measures to mitigate the financial impact of the virus outbreak. The proposals are based on an agreement between the Swedish Social Democratic Party, the Centre Party, the Liberal Party and the Green Party.

The Government intends to present the proposals to the Riksdag in the additional amending budget that the Government will adopt on 19 March.

The crisis package now presented can – depending on how the situation develops – encompass more than SEK 300 billion if the entire liquidity reinforcement through tax accounts is used.

## Short-term layoffs introduced today

This proposal means that employers' wage costs can be halved, in that central government will cover a larger share of the costs. This model is similar to short-time work, but the subsidy level is significantly increased. The employee receives more than 90 per cent of their wage. The aim is to save Swedish jobs.

It is proposed that the proposal on short-term layoffs enter into force on 7 April and be in effect throughout 2020, but be applied from today, 16 March.

## Central government to assume sick pay responsibility for two months

It is proposed that central government assume the entire cost of all sick pay during April and May. Self-employed persons will also be compensated in that they can receive standardised sick pay for days 1–14.

## Liquidity reinforcement via tax accounts

Under this proposal, companies can defer payment of employers' social security contributions, preliminary tax on salaries and value added tax that are reported monthly or quarterly.

Company payment respite covers tax payments for three months and is granted for up to 12 months. This replaces the previously presented proposal.

It is proposed that the new regulations take effect on 7 April 2020, but can be retroactively applied from 1 January 2020. This means that companies that have paid into their tax account for January to March can receive repayment of the tax from the Swedish Tax Agency. Payment respite will not be granted to companies that mismanage their finances or are in some other way unethical. Nor will respite be granted to companies that have large tax debts.

The proposals on respite and short-term layoffs will now proceed to the Council on Legislation for fast-track consideration.

## Overall economic measures in Sweden so far

- Central government will compensate municipalities and regions for extraordinary measures and extra costs in health and medical care associated with the COVID-19 virus.
- To reduce the risk of the virus spreading in society, the qualifying day for sick pay will be discontinued between 11 March and 31 May, in that central government will pay sickness benefit for the first day of sickness.
- The Public Health Agency of Sweden, the National Board of Health and Welfare and the Medical Products Agency will be allocated additional resources.
- Resources for the disease carrier's allowance will be increased, as it is assumed that the number of individuals entitled to this benefit will increase.
- Central government will temporarily assume responsibility for sick pay for two months.
- Liquidity reinforcement is given via tax accounts for VAT, employers' social security contributions and employees' preliminary tax from 1

January 2020.

- Short-term layoffs introduced as of 16 March.
- In addition to the Government's measures, the Riksbank has announced that it is loaning up to SEK 500 billion to companies via the banks to safeguard credit supply. Finansinspektionen (the Swedish financial supervisory authority) has announced that it is lowering the countercyclical capital buffer to zero to safeguard a well-functioning credit supply.



Press release from Ministry of Finance

# Additional amending budget due to the coronavirus

Published 11 March 2020

Due to the coronavirus, a proposal for an additional amending budget is being presented today. The proposal is based on an agreement between the Swedish Social Democratic Party, the Centre Party, the Liberal Party and the Green Party.

The Government and relevant public authorities are monitoring the ongoing virus outbreak very closely and are ready to quickly take measures to strengthen the response to the outbreak as well as its consequences. Ensuring that authorities and disease control officials have all the tools they need is not only crucial to fighting the disease, it is also essential to minimising its socioeconomic costs. The proposal for an additional amending budget contains proposals that cover four different areas.

## Municipalities and regions will be compensated for extraordinary costs

Through the additional amending budget, an opportunity will now be created for the central government to retroactively compensate municipalities and regions for extraordinary measures and extra costs in health and medical care associated with the coronavirus. For example, this could mean higher staffing costs, higher costs to ensure staffing of 1177 Vårdguiden, laboratory analyses, extra consumption of supplies, contact tracing, etc.

## Relevant government agencies will be strengthened

The Public Health Agency of Sweden will receive an additional SEK 41

million, primarily for staffing costs. The National Board of Health and Welfare will receive an additional SEK 20 million, primarily for staffing costs, training activities and supplies. The Swedish Medical Products Agency will receive an additional SEK 5 million for its efforts, together with the regions, to ensure the supply of medicines in Sweden. This additional sum corresponds to the Agency's own estimate of what is currently needed. The National Board of Health and Welfare's credit framework will be trebled from SEK 100 million to SEK 300 million to enable it to purchase protective equipment and testing kits.

## Financial support to individuals

The qualifying day will be discontinued in that the central government will pay sickness benefit for the first day of sickness, and the appropriation for the disease carrier allowance will be increased. These measures are expected to reduce the spread of the disease and so the pressure on health care services.

## Measures adopted to support companies affected financially

The proposal on short-time work, which is intended to avoid layoffs and give companies the opportunity to quickly get started again once the situation has changed, will be brought forward and it is proposed that it enter into force on 1 May 2020. It is also proposed that companies be given the opportunity to defer payment of employers' social security contributions and employees' preliminary tax for up to one year. The aim is for the deferment to apply for employers' social security contributions and preliminary taxes for no more than two months.

There is great uncertainty concerning the present situation, and the situation could change rapidly. In addition to what is being presented today, a large number of other measures are also being considered that can quickly be taken if the need arises. The Government is in contact with the Riksdag so that measures that require a Riksdag decision can be adopted as soon as possible.



Press release from Ministry of the Environment, Ministry of Finance

# Inquiry appointed on phasing out fossil fuels and banning sales of new petrol and diesel cars

Published 20 December 2019

The Government has appointed an inquiry to offer proposals on how to implement a ban on sales of new petrol and diesel cars, and when fossil fuels should be phased out by. Sven Hunhammar will chair the inquiry.

“Sweden will be the world’s first fossil-free welfare nation. The transport sector is responsible for a third of Sweden’s emissions of greenhouse gases, and thus has a significant role to play in the climate transition,” says Minister for Financial Markets and Housing Per Bolund.

Sven Hunhammar holds a Master’s degree in engineering and a doctorate in natural resource management. He is Director of Sustainability and Environment at the Swedish Transport Administration, and has previously worked at the Stockholm Environment Institute, the Swedish Environmental Protection Agency, Transport Analysis and the Swedish Society for Nature Conservation.

The inquiry is to:

- analyse the conditions for introducing a national ban on sales of new petrol and diesel cars, and how to exempt vehicles that run on renewable fuels and electric hybrid vehicles from such a ban;
- analyse how to bring about an EU-wide ban on sales of new petrol and diesel cars and the phasing out of fossil fuels in the EU;
- make the necessary legislative proposals, albeit not in the area of taxation, where the inquiry may only analyse measures and conduct impact analyses; and



- propose a year by which fossil fuels should be phased out in Sweden, and the measures needed for this to happen in the most cost-effective manner possible.

The inquiry's terms of reference are based on point 31 of the January Agreement, the policy agreement between the Swedish Social Democratic Party, the Centre Party, the Liberal Party and the Green Party.

The final report is to be presented by 1 February 2021.



Press release from Ministry of Finance

# Guidelines for central government debt management in 2020

Published 14 November 2019

Today the Government adopted guidelines for the Debt Office's management of the central government debt. The foreign currency exposure of the central government debt is to be unchanged pending the Debt Office's analysis of the strategic foreign currency exposure of the central government debt.

The steering of term to maturity of the krona debt and the foreign currency debt are merged in a combined maturity target for the central government debt. The steering of the composition of the krona debt is kept unchanged.

## **Guidelines for 2020 – The composition of the central government debt is to be steered towards:**

- Unchanged foreign currency exposure
- Inflation-linked krona debt: 20 per cent (over the long term)
- The nominal krona debt is to make up the remaining share
- The term to maturity of the central government debt is to be steered towards 3.5–6 years.

The Government considers that the reduction of the foreign currency exposure of the central government debt should stop pending the Debt Office's analysis of the strategic foreign currency exposure of the central government debt. One reason for doing so is that this analysis may show that there is reason to review the previous focus on reducing this exposure at the previously stated rate. In 2015 the Government decided to gradually reduce the foreign currency exposure over the next few years, and since then the foreign currency debt has been halved. The risk in retaining the present

foreign currency exposure is assessed as very limited. On account of developments in financial markets in recent years, it is appropriate to analyse the strategic distribution of the central government debt with respect to foreign currency exposure.

To refine its steering Government has gradually adjusted term-to-maturity steering in its guideline's decisions in recent years. To clarify the overall level of risk and provide a better overview of the interest rate refixing risk in the debt, a further adjustment is made and a combined maturity target for the central government debt is introduced in the guidelines for 2020–2023. Term to maturity is one of several factors that affect the expected cost and risk in the central government debt.

The Government sees no reason to alter the steering of the composition of the krona debt. With the present guidelines the stock of inflation-linked bonds will decrease substantially, and the Debt Office's analysis shows no distinct systematic differences in cost. The Government therefore considers that the share of inflation-linked bonds should be unchanged.



Press release from Ministry of Finance

# Climate declaration when constructing buildings

Published 13 September 2019

The Government intends to introduce a climate declaration requirement when buildings are constructed, which will enter into force on 1 January 2022. To implement the measures needed to accomplish this in an efficient and effective manner, the National Board of Housing, Building and Planning will receive SEK 10 million per year up to 2022.

“It must be easy for a person who invests in a home to find out what climate impact the construction process has had. Climate declarations are a clear way to provide individual purchasers, public purchasers and other actors with more information while also benefiting those in the construction industry who invest in sustainable solutions,” says Minister for Financial Markets and Housing Per Bolund.

The Government’s proposed Budget Bill for 2020 is based on an agreement between the Swedish Social Democratic Party, the Centre Party, the Liberal Party and the Green Party.

## About climate declarations

According to the National Board of Housing, Building and Planning, the building sector accounts for about one fifth of national greenhouse gas emissions. The Government is therefore implementing long-term initiatives to reduce the climate impact from the building sector in everything that is built.

Climate declarations are part of a shift towards reduced climate impact from buildings from a life-cycle perspective.

The aim of introducing a reporting requirement for climate declarations is to promote the transition towards more sustainable construction with reduced climate impact. To reduce the threshold for introducing this requirement and provide the proper conditions for relevant actors to fulfil it, certain measures need to be taken. These include developing a national database containing climate data and taking measures to promote carefully-considered requirement specifications from a life-cycle perspective.

In June, the Government instructed the National Board of Housing, Building and Planning to begin preparatory work to facilitate the introduction of requirements for climate declarations.

The Board is to produce a clear plan for the further development of climate declarations. The plan is intended to provide the industry with long-term rules and planning options so as to make the transition to sustainable construction. In the long term, it will be possible to use climate declarations to set minimum requirements based on a life-cycle perspective.



Government Offices of Sweden

Press release from Ministry of Finance

# New initiative for green and safe communities

Published 13 September 2019

The Government is now proposing enhanced efforts for green and safe communities. The Budget Bill is based on an agreement between the Government, the Centre Party and the Liberal Party.

“Our cities and communities must become a part of the solution to the greatest challenge facing our generation – solving the environmental crisis. Alongside that, we must ensure that our communities are safe and socially sustainable. These funds can help various actors transform our communities into green and pleasant places where people can live safe and sustainable lives,” says Minister for Financial Markets and Housing Per Bolund.

The Government is now introducing funds for measures to promote urban green spaces and ecosystem services in urban areas, and also strengthen the social sustainability and safety in cities and communities. This initiative is an independent continuation of the previous ‘Green cities’ initiative, which was very popular. The Government proposes allocating SEK 50 million for 2020, SEK 150 million for 2021 and SEK 200 million for 2022.



Press release from Ministry of the Environment, Ministry of Finance

# Major investments in valuable natural environments in Government's Budget Bill

Published 10 September 2019

The Government is now proposing to enhance the work for Sweden's valuable natural environments through investments in the protection of forests, more monitoring of the situation in natural environments and more robust efforts against eutrophication. The Budget Bill builds on an agreement between the Government, the Centre Party and the Liberal Party.

“Climate change and the rapid loss of species on Earth is taking place here and now, and this also affects us here in Sweden. We cannot leave these enormous problems to our children; need to take responsibility here and now. This is why we are again proposing historically large investments in both the environment and climate,” says Minister for Environment and Climate, and Deputy Prime Minister Isabella Lövin.

## Clean sea and water

“The sea, lakes and our watercourses give us life and sustenance. It is therefore incredibly serious when parts of Sweden are affected by recurring water shortages, and lakes and the sea are polluted and become eutrophic, and when biological diversity is reduced. This is why the Government is investing in helping our sea and waters recover through the important ‘Rent hav’ (clean sea) initiative,” says Ms Lövin.

It is the Government's view that the pace of work on reaching the marine

and water-related environmental quality objectives needs to increase. The Government is therefore proposing SEK 240 million for efforts to combat eutrophication in 2020. As part of the clean sea and water investment, the Government is also proposing that work on clearing polluted sediment and environmentally hazardous wrecks be strengthened with an extra SEK 65 million in 2020, which also includes international action on chemicals.

Environmental monitoring is crucial for following the work on achieving Sweden's environmental objectives. Environmental monitoring provides information for making well-founded decisions. The Government is therefore investing SEK 80 million in environmental monitoring of sea and waters.

## Protection and management of valuable natural environments

It is a clear ambition of the Government that forests that are worthy of protection should not be felled, but conserved – either through formal protection or through voluntary set-asides. The resources for the protection of valuable natural environments will be secured, which is why the Government is proposing an extra SEK 200 million for 2020 so that the Swedish Environmental Protection Agency and county administrative boards can strengthen the efforts to protect valuable forests.

“We need to take care of the natural environment so that it can take care of us. The Government wants more valuable natural environments to be protected and more important wetlands to be restored. This is why we want to make major investments in the protection and management of valuable natural environments,” says Minister for Financial Markets and Housing, and Deputy Minister for Finance Per Bolund.

The Government is also going ahead with an investment of SEK 400 million for 2020 to strengthen the management of nature reserves and national parks. The investment also aims to strengthen the work against invasive species, the preservation of endangered species, game management, and the restoration and construction of wetlands.

It is important that the county administrative boards have the appropriate conditions for conducting supervision and supervision guidance under the Environmental Code. The Government is therefore proposing that the county administrative boards' administrative appropriation increases by SEK 42 million to strengthen their work on environmental supervision.





Press release from Ministry of Finance

# State to issue green bonds by 2020

Published 18 July 2019

The Government decided today to task the Swedish National Debt Office with issuing green bonds by 2020. These are bonds that are used to fund budget expenditure on sustainable investments and projects. This bond issue will promote the Swedish market for green bonds and is part of the Government's action to transition to sustainable development.

Green bonds have previously been issued in Sweden by both private and public entities. By 2020, the State will also issue green bonds. The Swedish National Debt Office, responsible for government debt management, has therefore been instructed to analyse how the issue should be carried out.

“The decision that the State will now issue green bonds is an important part of the transition to sustainable development. The financial market plays a key role in this transition, and the Government wants to improve the opportunities for sustainable investments by promoting the market for green bonds,” says Minister for Financial Markets Per Bolund.

The Swedish National Debt Office has also been instructed to work with the Government Offices to develop the ‘green framework’, which will distinguish green bonds from conventional ones. The expenditure items in the central government budget that will be funded by the green bonds will be defined and selected in the framework. They will subsequently be monitored through a reporting requirement.

According to the assignment, the selection of appropriate green expenditures should be based on the climate policy framework and the Government's

climate and environmental policy, which is monitored through national work on the environmental objectives that is reported to the Riksdag.

“This assignment marks the start of the preparations needed for the bond issue, such as the selection of which budget expenditures should be included and appropriate maturity,” says Mr Bolund.

The assignment is part of the January Agreement, which is a policy agreement between the Swedish Social Democratic Party, the Centre Party, the Liberal Party and the Swedish Green Party.

## Background

The Riksdag has decided that the financial system must contribute to sustainable development. The Government is working to make it easier for investors and private individuals to take well-informed and sustainable investment decisions, and to improve information concerning risks associated with climate change and sustainability.

Efforts to promote the development of a sustainable financial market included instructing an Inquiry Chair to analyse the market for green bonds and present proposals on how it could be developed. The report ‘Promoting the market for green bonds’ was presented on 10 January 2018. The Inquiry’s assessment was that the single most important promotion measure would be the issuance of green bonds by the Swedish State.



Government Offices of Sweden

Press release from Ministry of Finance

# More difficult to charge excessive fund fees

Published 13 March 2019

As of 1 January 2020, new requirements will be introduced for fund managers to more clearly report how actively a fund's assets are managed. The aim is to reduce the incidence of funds marketed as actively managed but which in fact follow a benchmark. This is the Government's proposal in a bill presented to the Riksdag.

“People should not be duped into paying for something they aren't getting. We're now making it more difficult for rogue actors to charge excessive fees. This change will benefit many small savers,” says Minister for Financial Markets Per Bolund.

The proposal means that fund managers will be required to submit information about the level of activity of their fund management in relation to a 'relevant benchmark'. This information must describe how the fund is managed and why the index used is relevant. If the fund has existed for two or more years, the fund manager must also show the level of activity as a measure of activity for each of the previous ten years (or the number of years that the fund has existed). The fund manager must also explain the level of activity achieved. For funds with holdings that are so concentrated and specific that there is no relevant index for comparison, the fund manager must provide information about this instead. The information must be available on the fund manager's website, in its prospectus, and in the fund's annual report.

This information requirement will apply to the management of mutual funds and special funds by managers that are fund companies, alternative

investment fund managers, foreign management companies holding a licence to manage mutual funds from Finansinspektionen (Sweden's financial supervisory authority), and AP7's management of funds in the premium pension system.

It is proposed that the rules enter into force on 1 January 2020.



Government Offices of Sweden

Press release

# The ministers' press contacts

Published 22 January 2019

Here are the contact details for the ministers' press secretaries.

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**Government Offices of Sweden**

Press release from Prime Minister's Office, Ministry of Culture, Ministry of Defence, Ministry of Education and Research, Ministry of Employment, Ministry of Enterprise and Innovation, Ministry of the Environment, Ministry of Finance, Ministry for Foreign Affairs, Ministry of Health and Social Affairs, Ministry of Justice, Government Offices

# New state secretaries at the Government Offices

Published 22 January 2019

The Government today appointed 31 state secretaries at the Government Offices. Former state secretaries have been dismissed from their positions. Most of the state secretaries have previously held corresponding positions at the Government Offices.

## Prime Minister's Office

The Government has appointed Nils Vikmång as the Prime Minister's State Secretary. The Government has also appointed Madeleine Harby Samuelsson and Karin Wallensteen as state secretaries to Prime Minister Stefan Löfven.

The Government has appointed Paula Carvalho Olovsson as State Secretary to Minister for EU Affairs Hans Dahlgren.

The Government has appointed Mats Andersson and Maria Ferm as state secretaries in the coordinating committee at the Prime Minister's Office.

## Ministry of Employment

The Government has appointed Annika Dahl as State Secretary to Minister for Employment Ylva Johansson.

The Government has appointed Karin Strandås as State Secretary to Minister

for Gender Equality, with responsibility for anti-discrimination and anti-segregation, Åsa Lindhagen.

## Ministry of Finance

The Government has appointed Max Elger and Leif Jacobsson as state secretaries to Minister for Finance Magdalena Andersson.

The Government has appointed Ulf Holm and Elin Olsson as state secretaries to Minister for Financial Markets and Housing, Deputy Minister for Finance, Per Bolund.

The Government has appointed Alejandro Firpo as State Secretary to Minister for Public Administration Ardan Shekarabi.

## Ministry of Defence

The Government has appointed Jan-Olof Lind as State Secretary to Minister for Defence Peter Hultqvist.

## Ministry of Infrastructure

The Government has appointed Mattias Landgren as State Secretary to Minister for Infrastructure Tomas Eneroth.

The Government has appointed Sebastian De Toro as State Secretary to Minister for Energy and Digital Development Anders Ygeman.

## Ministry of Justice

The Government has appointed Catharina Espmark and Lars Westbratt as state secretaries to Minister for Justice and Migration Morgan Johansson.

The Government has appointed Elisabeth Backteman as State Secretary to Minister for Home Affairs Mikael Damberg.

## Ministry of Culture

The Government has appointed Helene Öberg as State Secretary to Minister for Culture and Democracy, with responsibility for sport, Amanda Lind.

## Ministry of the Environment

The Government has appointed Eva Svedling and Gunvor Ericson as state secretaries to Minister for Environment and Climate, and Deputy Prime Minister, Isabella Lövin.

## Ministry of Enterprise and Innovation

The Government has appointed Stina Billinger and Emil Högberg as state secretaries to Minister for Enterprise and Innovation Ibrahim Baylan.

The Government has appointed Per Callenberg as State Secretary to Minister for Rural Affairs Jennie Nilsson.

## Ministry of Health and Social Affairs

The Government has appointed Maja Fjaestad as State Secretary to Minister for Health and Social Affairs Lena Hallengren.

## Ministry of Education and Research

The Government has appointed Erik Nilsson as State Secretary to Minister for Education Anna Ekström.

The Government has appointed Malin Cederfeldt Östberg as State Secretary to Minister for Higher Education and Research Matilda Ernkrans.

## Ministry for Foreign Affairs

The Government has appointed Annika Söder as State Secretary for Foreign Affairs to Minister for Foreign Affairs Margot Wallström.

The Government has appointed Per Olsson Fridh as State Secretary to Minister for International Development Cooperation Peter Eriksson.

The Government has appointed Niklas Johansson as State Secretary to Minister for Foreign Trade, with responsibility for Nordic affairs, Ann Linde.



Government Offices of Sweden

Press release from Ministry of Finance

# Transitional solution for continued access to investment services following Brexit

Published 28 November 2018

Under a proposal referred by the Ministry of Finance today, the Swedish Government should be able to issue regulations prescribing that companies domiciled outside the EEA can be exempted – for a certain period of time – from the requirement to hold a licence from Finansinspektionen (the Swedish Financial Supervisory Authority) to provide investment services.

It is proposed that, during a transitional period following the UK's withdrawal from the EU, investment firms domiciled in the UK should be allowed to continue providing services to professional clients with whom they entered into agreements prior to Brexit.

The aim of the proposal is to eliminate the risk of interrupted access to the necessary financial services to handle derivative contracts entered into by Swedish businesses with a counterpart in the UK.

The proposal will only be relevant if the UK leaves the EU without an agreement in place on transitional arrangements between the parties.



Press release from Ministry of Finance

# Guidelines for central government debt management 2019

Published 15 November 2018

Today the Government adopted guidelines for the management of the central government debt. The maturity steering of the nominal and inflation-linked krona debt are merged. As a result, the maturity interval of the krona debt is changed to between 4 and 6.5 years. The steering of the composition of the debt is left unchanged.

When inflation-linked bonds were introduced in the 1990s, the strategy was to borrow in longer maturities than using nominal bonds, as investors were willing to pay a premium as insurance against inflation shocks. Now circumstances have changed and there are no longer any strong reasons for steering the maturities of the types of krona debt separately.

The Debt Office's quantitative and qualitative studies show that the relationship between maturity and cost is now the same for inflation-linked bonds as for nominal bonds, which means that there is no longer any reason to steer the maturity of the two types of debt separately. A common benchmark for the krona debt would also give a better overview of the level of risk in the aggregate krona debt and make it possible to reduce the steering interval. Maturity is one of several factors that affect the expected cost of and risk in the central government debt.

## Summary of the guidelines for 2019

The maturity (in terms of duration) of the debt types is to be steered towards:

- Foreign currency debt: 0–1 year
- Krona debt: 4–6.5 years

The composition of the central government debt is to be steered towards:

- Foreign currency debt: A reduction of up to SEK 30 billion per year
- Inflation-linked krona debt: 20 per cent (in the long term)
- The nominal krona debt is to make up the remaining share.

### **Background**

The objective of central government debt policy is that the central government debt is to be managed in such a way as to minimise the long-term cost of the debt while taking account of the risk in its management. The debt is to be managed within the framework of monetary policy requirements.

Responsibility for attaining this objective is divided between the Government and the Debt Office. The Government steers the overall level of risk in its annual guidelines decisions while the Debt Office is responsible for borrowing and management being conducted within the framework of the guidelines and in accordance with the objective. This decision is based, in part, on the National Debt Office's proposed guidelines.

A report on the attainment of the objective of central government debt policy is made to the Riksdag in an evaluation communication every other year. The next evaluation will be presented to the Riksdag in April 2020.



Government Offices of Sweden

Press release from Prime Minister's Office, Ministry of Finance, Ministry for Foreign Affairs

# Government to attend climate summit in Paris

Published 08 December 2017

On Tuesday 12 December, Prime Minister Stefan Löfven and Minister for International Development Cooperation and Climate and Deputy Prime Minister Isabella Lövin will attend the international climate summit 'One Planet Summit' in Paris.

The One Planet Summit is being organised in light of the fact that it is now two years since the historic climate agreement was adopted in Paris in 2015. The aim of the Summit is to raise the level of ambition regarding climate change and implementation of the Paris Agreement.

Prior to the Summit, Mr Löfven will attend a lunch with invited heads of state and government at the Elysée Palace.

Earlier in the day, Ms Lövin will meet France's Minister for the Ecological and Inclusive Transition Nicolas Hulot and take part in a high-level panel on the theme 'Strengthening Policies for the Ecological and Inclusive Transition'.

Minister for Financial Markets and Consumer Affairs Per Bolund will attend the high-level Climate Finance Day conference on 11 December.

Mr Löfven and Ms Lövin will hold a press conference at the residence of the Swedish Ambassador in Paris on 12 December at 09.30.





Government Offices of Sweden

Press release from Ministry of Finance

# France and Sweden step up their collaboration on green finance to boost the transition towards low-carbon and climate-resilient economies

Published 08 December 2017

French Minister for Economy and Finance, Bruno Le Maire, and Swedish Minister for Financial Markets and Consumer Affairs, Per Bolund, commit to strengthen their collaboration to promote green and sustainable finance and to live up to the Paris Agreement.

They will deliver a common closing address to the Climate Finance Day with the view to engage with global stakeholders to mobilize climate financing at scale.

This will be a first milestone in implementing the French-Swedish strategic partnership for innovation and green solutions, that was signed by the French President Emmanuel Macron and the Swedish Prime Minister Stefan Löfven in Gothenburg on 17 November 2017.

France and Sweden agree on the urgent need for a full implementation of the Paris agreement and green innovation development. Green and sustainable finance has definitely a key role to play in order to speed up the shift of financial flows towards a low-carbon economy.

Both countries are leading players in the field of green finance, through the involvement of both private and public actors. France has already

strengthened carbon disclosure requirements for corporate and financial institutions under Article 173 of the law on energy transition and green growth. Similar requirements were implemented for Swedish non-financial firms in 2016 and proposed for Swedish investment funds (UCITS and AIF) to enter into force on 1 January 2018. France has set up a number of voluntary measures to promote green finance such as dedicated green and Sustainable and Responsible Investment (SRI) labels and by issuing a benchmark green sovereign bond (7 billion euro for 22-year bonds). Sweden has also announced a dedicated inquiry into the development of the green bond market. On the basis of their own national experiences with regard to climate-related disclosure, France and Sweden fully support the implementation of the Financial Stability Board (FSB) Task Force on Climate-related Financial Disclosures (TCFD) recommendations at European and international level.

France and Sweden cooperate also at international level to develop financing tools to finance the transition towards low-carbon and climate-resilient economies at international level. They already work closely within the boards of the largest multilateral environmental and climate funds, such as the Green Climate Fund and the Global Environment Fund.

Prime Minister Stefan Löfven and French President Emmanuel Macron decided to strengthen the bilateral cooperation by signing the French-Swedish strategic partnership for innovation and green solutions in Gothenburg on 17 November 2017. Development of green finance is identified in this partnership as one of the top four priorities of cooperation that will contribute to fight against climate change and to adapt our economies to digital transformation. The concluding speeches of Ministers Le Maire and Bolund at the CFD 2017 are the first milestone in the concrete implementation of the partnership in the field of green finance.

"A fair, transparent and consistent reporting on climate-related risks and opportunities is key to collectively delivering on the Paris Agreement, to improving the effectiveness of companies communication on climate change integration in their strategy and implications for their business, to fostering a dialogue with investors and to enhancing the contribution of financial institutions to accompany companies through an efficient transition towards low carbon and climate resilient economies. We welcome the final recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) as a key milestone toward improved, decision relevant climate-related reporting. Leveraging on the existing French requirements, we will support their implementation and further work

with all key stakeholders on this important topic", Bruno Le Maire says.

"I am glad that both Sweden and France are committed to implement the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), thus leading the way towards a greener and more sustainable financial system. This will not only contribute to realizing the commitments in the Paris Agreement but also increase financial stability, which is key for a prosperous society", Per Bolund says.



Press release from Ministry of Finance

# Guidelines for central government debt management in 2018

Published 09 November 2017

Today the Government adopted guidelines for the management of the central government debt. The maturity of the debt is extended slightly, which reduces the risk at a low cost. The steering of the composition of the debt is left unchanged.

"The cost advantage of short-term borrowing has continued to decrease. This is the reason why we are extending the maturity of the central government debt further;" says Minister for Financial Markets and Consumer Affairs Per Bolund.

Maturity is one of several factors that affect the expected cost of and risk in the central government debt. The analyses behind the guideline decisions made in recent years show that the cost advantage of short-term borrowing has decreased. This is why the maturity of the part of the central government debt that consists of nominal borrowing in Swedish kronor is being extended by 0.3 years for the third successive year. No changes are made to the maturity of the parts of the central government debt that consist of inflation-linked krona debt and foreign-currency debt. The steering of the composition of the central government debt is also left unchanged.

The present volume benchmark of SEK 70 billion for instruments with more than twelve years to maturity is removed and replaced by a maturity interval for the whole of the nominal krona debt. At present the maturity of the nominal krona debt is steered by a maturity interval for instruments with less than twelve years to maturity and by a volume benchmark for instruments with more than twelve years to maturity. Forms of wording about how to calculate the cost of the central government debt are also entered in the

guidelines. This is to make it simpler to follow up the overall objective for the management of the central government debt.

## Summary of the guidelines for 2018

The maturity (in terms of duration) of the three types of debt is to be steered towards:

- Foreign currency debt: 0–1 years
- Inflation-linked krona debt: 6–9 years old
- Nominal krona debt: 4.3–5.5 years old.

The composition of the central government debt is to be steered towards:

- Foreign currency debt: Reduction of up to SEK 30 billion per year
- Inflation-linked krona debt: 20 per cent (in the long term)
- The nominal krona debt is to make up the remaining share.

### **Background**

The objective of central government debt policy is to manage the central government debt so as to minimise the long-term cost of the debt while taking account of the risk in its management. The debt is to be managed within the framework of monetary policy requirements.

Responsibility for attaining the objective is divided between the Government and the Debt Office. The Government steers the overall level of risk in its annual guideline decisions, while the Debt Office is responsible for borrowing and management being conducted within the framework of the guidelines and in accordance with the objective. This basis for the decision includes the National Debt Office's proposed guidelines. The Riksbank is also given the opportunity to comment on the Debt Office's proposed guidelines.

A report on the effectiveness of the management of the debt is made to the Riksdag (Swedish Parliament) every other year in the form of a government communication. The next evaluation will be presented to the Riksdag in April 2018.



Government Offices of Sweden

Press release from Ministry of the Environment, Ministry of Finance,  
Ministry for Foreign Affairs

# Largest ever investment in climate

Published 05 September 2017

In the Budget Bill for 2018, the Government presents the largest ever investment in climate and the environment. In 2018, the Government wants to invest an additional SEK 5 billion in environment and climate efforts in Sweden and around the world to reduce emissions and create jobs and economic development in Sweden.

"We are now making major structural investments to adapt Sweden, including those targeted at industry and the transport sector. But we are also making investments so that sustainability is a natural part of everyday activities. These include investments in solar cells, charging points and electric bikes," says Minister for International Development Cooperation and Climate Isabella Lövin.

The initiatives cover a large number of measures that include country-wide investments to reduce emissions of greenhouse gases, adapt to renewable energy and safeguard biological diversity in oceans and on land. Special measures are also being presented to ensure flourishing and sustainable urban areas.

"Our generation must be able to pass on to our children a society in which the major environmental problems have been solved and where there are flourishing urban areas with healthy environments to grow up in. A lot remains to be done if we are to succeed with this – investments in sustainable development have been insufficient for far too long," says Ms Lövin.

The Government proposes historically large investments in the area of

climate and the environment. For 2018, this means:

- An increase of 109 per cent in expenditure area 20 (General environmental protection and nature conservation) compared with 2014. This means that we have more than doubled investments.
- The budget includes a total of SEK 5 billion for investments in the area of climate and the environment in 2018.

The Budget Bill for 2018 is based on an agreement between the Government and the Left Party.



Government Offices of Sweden

Press release from Ministry of Finance

# Sweden's system for combating money laundering and terrorist financing maintains high standards according to FATF

Published 25 April 2017

Sweden's system for combating money laundering and terrorist financing has been evaluated by the international organisation Financial Action Task Force (FATF).

"We will stop all possibilities for criminals to launder their money or transfer funds to terrorism through the Swedish financial system. The evaluation shows that Sweden's system for combating money laundering and terrorist financing maintains high standards," says Minister for Financial Markets Per Bolund.

Over a period of fifteen months, a number of international experts conducted a thorough review of Sweden's legislation in the area. In addition, some one hundred representatives of the public, private and non-profit sectors were interviewed to assess Sweden's effectiveness in combating money laundering and terrorist financing.

"These efforts continue tirelessly. We recently proposed new money laundering legislation that will be more effective, as well as a new act on beneficial owners that increases transparency into company owners and makes it more difficult to hide behind a legal person," says Mr Bolund.

The evaluation examines how well Swedish law complies with the FATF Recommendations and contains a detailed review of the Swedish system.



**About the FATF:**

The Financial Action Task Force (FATF) was established in 1989. Sweden is a member, together with 34 other countries, the European Commission and the Cooperation Council for the Arab States of the Gulf (GCC). The FATF sets detailed requirements on countries' systems for combating money laundering and terrorist financing, and monitors these requirements through regular in-depth reviews.



Press release from Ministry of Finance

# Government proposes strengthening Riksbank's financial independence

Published 17 March 2017

The Ministry of Finance today submitted a proposal that would strengthen the financial independence of the Riksbank by setting down in law a targeted level for its capital. The proposal also contains rules on how the Riksbank is to be recapitalised and how dividends to the State may be paid. In addition, it clarifies that borrowing in advance for the foreign exchange reserve may only be done if there are exceptional grounds. This proposal is in line with the Committee on Finance's report from June 2016 which had the support of all parties represented in the Riksdag.

The Ministry of Finance today submitted a proposal under which the Riksbank will only distribute money to the State if its own capital exceeds SEK 60 billion. The level will be adjusted upwards according to inflation to ensure that, in the future, the Riksbank is not dependent on appropriations from the Riksdag. The capital can be invested so that the Riksbank can cover its costs by a comfortable margin, which will strengthen the Riksbank's independence.

"The issue of the Riksbank's financial independence has been unresolved for nearly two decades, and has been examined several times. I am pleased that now, with broad support in the Riksdag, we can present a proposal that remedies this," says Minister for Finance Magdalena Andersson.

The memorandum also contains proposals on rules for how borrowing for the foreign exchange reserve may be done. The role of the foreign exchange reserve has decreased over time, as Sweden has long had a floating exchange rate. However, in crisis situations the need may arise to provide the financial markets with liquidity in foreign currency. The Riksbank must then be able to borrow foreign exchange via the Swedish National Debt Office. On the other hand, the Riksbank will not have unconditional drawing rights for the purpose of increasing its foreign exchange reserve.

"The size of Sweden's national debt is decided by the Swedish Riksdag. This proposal means that the Riksbank must repay currency loans corresponding to five per cent of Sweden's GDP," says Minister for Financial Markets Per Bolund.

As the government bonds issued to finance the foreign exchange reserve mature, the foreign assets will be sold. This means that taxpayers' costs for the national debt will decrease by about SEK 500 million annually. Upon maturity, the Swedish national debt will decrease by 20 per cent over time.



Press release from Ministry of Finance

# Proposal to expand Finansinspektionen's mandate regarding additional macroprudential tools

Published 23 February 2017 Updated 23 February 2017

The Ministry of Finance proposes that Finansinspektionen should be able to take additional measures to counteract financial imbalances on the credit market. A Ministry of Finance memorandum containing proposals for new legislation is being circulated today for comment.

"The continued increase of household indebtedness is cause for concern. This proposal means that the process to implement new requirements, for example that may impact the mortgage market, will be clarified and shortened. We must be able to act quickly should we see an alarming sharp increase of household indebtedness," says Minister for Financial Markets Per Bolund.

The memorandum is based on the October 2016 political agreement between the Government, the centre-right parties and the Left Party on an expanded mandate for Finansinspektionen.

The main proposal in the memorandum is that Finansinspektionen's legal mandate to take measures to counteract financial imbalances on the credit market, such as household indebtedness, should be strengthened. Since this type of measure may have macroeconomic impacts and may affect the finances of private individuals, there is reason to introduce a requirement for Finansinspektionen to obtain the Government's consent before any new

regulations are adopted.

It is proposed that the legislative amendments enter into force on 1 February 2018.



Press release from Ministry of Finance

# Denmark, Finland, Norway and Sweden sign Memorandum of Understanding on significant branches

Published 19 December 2016 Updated 19 December 2016

The Finance Minister of Norway and Finland, the Minister for Business of Denmark and the Minister for Financial Markets and Consumer Affairs of Sweden sign Memorandum of Understanding in order to facilitate the cooperation regarding cross-border banking groups containing one or more significant branches.

– We are glad that Sweden, also in this regard, has a well-functioning cooperation with our closest neighbours, says the Minister for Financial Markets and Consumer Affairs Per Bolund.

Several of the large Nordic banking groups conduct cross border activities in the neighbouring countries, either through a branch or directly without such an establishment. It is a common objective to contribute to a level playing field in the Nordic market and ensure effective and efficient supervision of significant branches located within the signatory countries. The competent authorities and Ministries in the relevant countries have therefore signed two separate Memoranda of Understandings (MoU) on significant branches in order to facilitate the cooperation regarding cross-border banking groups containing one or more of such branches.

Responsibility for significant branches is regulated in the Union and EEA law. The now relevant MoUs are of an all-embracing character and encompass significant branches more generally. The MoUs do not modify or

supersede Union and EEA law, but are to be regarded as a written understanding of how cooperation regarding significant branches in Denmark, Finland, Norway and Sweden should be conducted.



Government Offices of Sweden

Press release from Ministry of Finance

# Inquiry to promote the market for green bonds

Published 13 December 2016 Updated 13 December 2016

The Government has appointed an inquiry to identify ways to promote the market for green bonds. Mats Andersson, former CEO of the Fourth AP Fund, is Inquiry Chair.

"There is a great deal of demand for investments in green bonds. We want to look into how the market can be developed to facilitate investments that can build a sustainable world. We also want to ensure a high level of confidence in the market; growth must not take place at the expense of watered down environmental requirements," says Minister for Financial Markets and Consumer Affairs Per Bolund.

The remit includes analysing and producing examples of project types that could be financed through green bonds, and proposing a structure for processes and criteria that identify green projects. The inquiry is to also analyse and present proposals on processes and routines for third party validation of green bonds, and present proposals on what information investors need to make well-founded investment decisions.

If the inquiry presents a proposal for a sovereign green bond, such a proposal must be compatible with the design of the Budget Act and efficient national debt management, and be cost-neutral.

Mats Andersson, former CEO of the Fourth AP Fund, is Inquiry Chair.

"I am very pleased that Mats Andersson has accepted the role of Inquiry Chair. He has both a genuine interest in creating a sustainable financial market and long experience of capital management," said Mr Bolund.



The inquiry is to present its report by 15 December 2017.



Press release from Ministry of Finance

# Guidelines for central government debt management 2017

Published 10 November 2016 Updated 10 November 2016

Today the Government adopted guidelines for the management of the central government debt. Its decision means that the maturity of the central government debt is extended slightly. Doing so reduces the risk in the central government debt at a low cost. The steering of the composition of the central government debt is left unchanged.

"The low level of interest rates is keeping central government borrowing costs down at the same time as the risks in the central government debt are being reduced," says Minister for Financial Markets and Consumer Affairs Per Bolund.

The maturity of the central government debt is one of several factors that affect the expected cost and risk in the debt. The underlying analysis for the guideline decisions in both 2016 and 2017 shows that the cost advantage of borrowing in the short term has decreased. By extending the maturity of the nominal krona debt by 0.3 years (measured as duration) the risk in terms of cost variation is reduced at a low cost. As in the present year, the extension of the maturity will be attained by making less use of swaps.

The guidelines decision clarifies that the Debt Office's positions can also be used to reduce the risk in the central government debt. Previously they only stated that positions can be taken to reduce the costs of the central government debt. The mandate for positions in the krona exchange rate is left unchanged at SEK 7.5 billion.

The low level of interest rates means that borrowing in lottery bonds cannot

currently contribute to reducing the cost of the central government debt. The guidelines decision extends the target perspective for retail market borrowing so that lottery bond borrowing can be retained, since this form of borrowing is expected to be capable of being profitable again once interest rates rise. To limit the interest expense loss until then the Debt Office should consider not issuing lottery bonds.

## Summary of the guidelines for 2017

The maturity of the three types of debt is to be steered towards:

- Foreign currency debt: duration of 0–1 years
- Inflation-linked krona debt: duration of 6-9 years
- Nominal krona debt:
  - instruments with a maturity of up to 12 years: duration of 2.9–3.9 years
  - instruments with a maturity of more than 12 years: long-term benchmark for the outstanding volume of SEK 70 billion.

The composition of the central government debt is to be steered towards:

- Foreign currency debt: Reduction by up to SEK 30 billion per year
- Inflation-linked krona debt: 20 per cent (in the long term)
- The nominal krona debt is to make up the remaining share.

### **Background**

The basis for the Government's guidelines decision is the objective adopted by the Riksdag that the central government debt is to be managed so as make the costs as low as possible while taking account of the risk in its management. The Debt Office is responsible for borrowing and management being conducted within the framework of the guidelines and in accordance with the objective.

Central government borrowing and debt management is evaluated every other year in a government communication to the Riksdag. The next evaluation will be presented to the Riksdag in April 2018.



Press release from Ministry of Finance

# Broad political agreement on expanded mandate for Finansinspektionen

Published 26 October 2016 Updated 26 October 2016

Following broad political discussions with the centre-right parties and the Left Party, the Government has agreed to expand the ability of Finansinspektionen (the Swedish financial supervisory authority) to take measures to counteract financial imbalances on the credit market, e.g. with regard to household indebtedness.

The proposal aims to counteract 'macroeconomic and financial stability risks', or risks to the economy and financial system.

"This agreement offers us a clearer and shorter process for implementing possible new requirements on the credit market. Finansinspektionen will receive a formal mandate, enabling it to draw up proposals for measures that will then be approved by the Government," says Minister for Financial Markets Per Bolund.

Some uncertainty arose in early 2015 concerning the legal mandate for Finansinspektionen to take measures with regard to amortisation requirements, among other things. The Government and other parties agreed at that time that the possibility of introducing an amortisation requirement should be clarified.

The parties have now agreed to give Finansinspektionen a broader mandate to take measures in future, in addition to the existing amortisation requirement. Since this type of measure may have macroeconomic impacts

and may interfere with the finances of private individuals, there is reason to introduce a requirement that Finansinspektionen must obtain the Government's consent before any new regulations are adopted.

"It is important that there is an ability to act quickly should we see a continued sharp increase of household indebtedness," says Mr Bolund.

A memorandum containing proposals for new legislation will be circulated for comment by the Ministry of Finance.



Press release from Ministry of Finance

# IMF review of the economic situation in Sweden completed

Published 29 September 2016 Updated 29 September 2016

A team from the International Monetary Fund (IMF) visited Sweden in autumn 2016 to conduct its annual review, or Article IV consultation, of the economic situation in Sweden and has now published its results. A complete report will be discussed by the IMF board in November 2016 and subsequently published.

The IMF has analysed a number of areas. They conclude that Sweden is enjoying strong growth, aided by supportive monetary and fiscal policies. Employment has risen by 1.5 per cent so far in 2016, pushing unemployment down to about 7 percent. Domestic demand is the key driver of growth.

The IMF considers appropriate the way the Government is accommodating the migration-related costs, and the budget deficit is still expected to be small owing to robust revenues and also due to lower than expected spending in other areas, so the fiscal stance is broadly neutral. The IMF team welcomes the reforms in the Budget Bill for 2017, stating that "while preserving a small fiscal deficit in 2017, the budget provides for initiatives totaling 0.6 percent of GDP in education, child and elder care, and active labor market policies, among others". At the same time, the team points out that continued improvements of the reception and integration system will be crucial going forward.

The IMF also welcomes the changes being made to the fiscal policy framework, involving a reduction of the surplus target from 1 per cent to 0.33 per cent of GDP and the introduction of a debt anchor.

"It is very positive that there is clear international support that the

Government's pursued fiscal policy is well considered. The IMF also welcomes the investments we are making, including in education as well as child and elderly care, while at the same time we have a tight grip on public finances," says Minister for Finance Magdalena Andersson, who also observed that the team had taken note of the fiscal policy framework agreement.

The IMF also stresses that continued sustainable growth requires measures against risks, such as on the housing market. In the area of financial markets, risks linked to a large and international banking system were also emphasised.

"The Government generally agrees with the risks that were highlighted and this is reflected in our ongoing efforts. In the financial markets area, which is in particular focus, the Riksdag has called for an inquiry on the Riksbank that will be launched in the coming months. We are analysing alternatives to clarify the mandate of Finansinspektionen (the Swedish Financial Supervisory Authority) for macroprudential policy, and there are several international initiatives in the capital and liquidity area," says Minister for Financial Markets Per Bolund.



Press release from Ministry of Finance

# Guidelines for central government debt management 2016

Published 12 November 2015 Updated 12 November 2015

Today the Government adopted guidelines for the management of the central government debt. The decision means a slight extension of the maturity of the central government debt; the background is that the cost advantage of short-term borrowing has decreased. Longer maturity results in less variation in the cost of the debt.

”By extending the maturity of the central government debt, risks can be reduced at a low or no cost since the cost difference between short-term and long-term borrowing is less than before,” says Minister for Financial Markets and Consumer Affairs Per Bolund.

The maturity of the central government debt is one of several factors that affect the debt’s expected cost and risk. The analysis on which the guideline decision is based indicates that it will continue to be advantageous to keep the maturity of the debt relatively short. However, the maturity of the part of the central government debt that consists of nominal borrowing in Swedish kronor is extended by three months and the maturity of the part that consists of foreign currency borrowing is extended by four and a half months (measured as duration). This extension of maturity means that the risk in terms of cost variation decreases.

The degree of flexibility in maturity steering is increased at the same time by widening the maturity interval for the nominal krona debt from 0.5 years to 1 year and by a maturity interval of one year replacing the previous maturity benchmark for the foreign currency debt.



## **Implementation of the decision**

The Debt Office intends to achieve the extension of the nominal krona debt by drawing down the volume of interest rate swaps currently used to shorten maturity. This means that the underlying borrowing and the policy for it are not affected by this extension.

This more flexible steering makes it possible for the Debt Office to avoid unnecessary transaction costs and is justified on purely operational grounds.

## **Summary of the guidelines for 2016:**

The maturity of the three types of debt is to be steered towards:

Foreign currency debt: duration 0–1 years

Inflation-linked krona debt: duration 6-9 years

Nominal krona debt:

– instruments with a maturity of up to 12 years: duration 2.6-3.6 years

– instruments with a maturity of more than 12 years: long-term benchmark for the outstanding volume of SEK 70 billion.

The composition of the debt is to be steered towards:

Foreign currency debt: Reduction of no more than SEK 30 billion per year

Inflation-linked krona debt: 20 per cent (in the long term)

The nominal krona debt is to make up the remaining share.



Press release from Ministry of Finance

# Inquiry to conduct a mapping of active and passive fund management

Published 19 March 2015 Updated 17 May 2015

The Government decided today to extend the scope of the Inquiry appointed to conduct an overview of the regulations governing investment funds. The Inquiry will now also include an analysis and mapping of the information that investors need to understand what active and passive funds are, the various alternatives that are available and the costs and risks associated with them.

“It should be easy for investors to understand what they are investing in. High standards of transparency and accurate information are required to enable investors to make informed decisions,” said Per Bolund, Minister for Financial Markets and Consumer Affairs.

The supplementary terms of reference require the Inquiry to:

- Map the differences in fees in a selection of comparable actively and passively managed funds available to the public.
- Analyse how the actively managed funds are marketed to investors, taking into account, where relevant, how the relatively higher fees are justified.
- Analyse the information investors need to be able to clearly understand the difference between actively and passively managed investment funds.
- Propose possible improvements to the information provided to investors

or other measures to better enable investors to make informed decisions when choosing between actively or passively managed funds.

The Government has also extended the deadline for the Inquiry's interim report on UCITS V implementation from 30 April to 30 June 2015. The final report is to be submitted by 31 December 2015.



Press release from Ministry of Finance

# Adjusted Guidelines for Central Government Debt Management in 2015

Published 12 March 2015 Updated 17 May 2015

The Government has today decided to adjust the maturity interval for the nominal krona debt as a result of substantially lower market interest rates. The adjustment is made to restore the maturity benchmark to a risk level equal to the one established in the guidelines for central government debt management in 2015 and means that the Swedish National Debt Office can maintain their current borrowing plan.

The starting point for the Government's guideline decision is that central government debt shall be managed in such a way as to minimise costs while taking risks into account.

Market interest rates have declined substantially in the past months. This has made the duration in the nominal krona debt significantly longer than when the guidelines for central government debt for 2015 was decided in November 2014. Duration is calculated with discounting using current market interest rates.

Lower interest rates do not mean that the interest rate refixing risk or the variation in the cost of the central government debt has changed. The adjustment is made to restore the maturity benchmark of the nominal krona debt for instruments with a maturity of up to 12 years to a risk level equal to the one established in the guidelines for central government debt management in 2015. This is made by an increase in the maturity interval

with 0.3 years to 2.6-3.1 years. The lower interest rates do not lead to any changes in the steering of the foreign currency debt or in the inflation-linked krona debt.

Due to the fact that the interval has to be adjusted so soon after the guideline decision, the Swedish National Debt Office will come back to the matter of the interval size in their proposal for guidelines for 2016.

The overall objective of debt policy is to minimise the cost of the central government debt in the long-term while taking risk in its management into account. The management of the debt shall be conducted within the framework of monetary policy requirements.

The Government primarily steers the expected costs for and risk in the central government debt by adopting guidelines for the composition and maturity of the debt. The Government adopts its guidelines following proposals from the Debt Office. The Debt Office is responsible for the operational management of the central government debt within the framework of these guidelines. Central government borrowing and debt management are evaluated every other year in a government communication to the Riksdag. The next evaluation will be submitted to the Riksdag in April 2016.

Guidelines for the composition of the central government debt

Foreign currency debt: Reduction of no more than SEK 30 billion per year

Inflation-linked debt: 20 per cent

Nominal krona debt is to make up the rest of the debt.

Guidelines for maturities in the central government debt

Foreign currency debt: Duration 0.125 years

Inflation-linked debt: Duration 6-9 years

Nominal krona debt:

- Instruments with maturities of up to 12 years: Duration 2.6-3.1 years

- Instruments with maturities of more than 12 years: Long-term benchmark for outstanding volume of SEK 70 billion.



Press release from Ministry of Finance

# Guidelines for central government debt management in 2015

Published 13 November 2014 Updated 17 May 2015

Today the Government adopted guidelines for the management of the central government debt. The actual maturity of the central government debt is retained unchanged, but the direction of the foreign currency debt is changed so that the foreign currency exposure of central government will decrease gradually over the next few years.

The starting point for the Government's guideline decision is that central government debt shall be managed in such a way as to make the costs and risks as low as possible.

“At present 15 per cent of the central government debt is in foreign currency. Gradually reducing this foreign currency exposure reduces the risks without an increase in the expected costs,” says Minister for Financial Markets and Consumer Affairs Per Bolund.

In recent years the Debt Office has analysed the costs and risks of foreign currency exposure in the central government debt. This analysis shows that foreign currency exposure does not result in lower costs in the long term, but does involve currency risk.

The annual rate of decrease of the foreign currency exposure is limited by a ceiling of SEK 30 billion, but is planned at SEK 20 billion. This corresponds approximately to the decrease of foreign currency exposure that arises when various financial instruments mature, i.e. without the Debt Office taking any active measures. The rate at which the foreign currency exposure decreases may be altered depending on what decision is taken concerning the question

of hedging the foreign currency reserve of the Riksbank by entering forward contracts with the Debt Office. The rate of decrease is not expected to affect the krona exchange rate or the Debt Office's possibilities of borrowing in foreign currency.

In order to increase transparency and simplify reporting, new measures are introduced for calculating the maturities and shares of the central government debt. One result of this is that changes are made to the benchmarks for maturity and the share of inflation-linked debt. In practice, however, the guidelines for maturity and the share of inflation-linked debt are unchanged.

The overall objective of debt policy is to minimise the cost of the central government debt in the long-term while taking risk in its management into account. The management of the debt shall be conducted within the framework of monetary policy requirements.

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Nominal krona debt:

- Instruments with maturities of up to 12 years: Duration 2.3–2.8 years

- Instruments with maturities of more than 12 years: Long-term benchmark for outstanding volume of SEK 70 billion



Government Offices of Sweden

Speech from Ministry of Finance

# Speech by Minister for Financial Markets Per Bolund at UNPRI conference in Berlin

Published 27 September 2017

Berlin, 25 September 2017. Check against delivery.

First of all let me congratulate the PRI and its signatories for a great job over the last two decades. With almost 1800 signatories representing 70 trillion dollars PRI is truly a success. It is a great achievement. But this focus on sustainability hasn't always been the case. I remember the climate talks in Copenhagen back in 2009 and I remember especially what a Danish delegate said:

It might be the case that stopping climate change isn't profitable but it might be worth pursuing anyway.

After leaving Copenhagen, the way we talk about sustainability challenges in general and especially climate change has fundamentally changed. Today, this sceptical viewpoint is truly something of the past. UN secretary general Guterres put it quite eloquently when he, earlier this year, said:

The sustainability train has left the station. Get on board or get left behind

If I might add a Swedish perspective to this, it would be that Sweden isn't on the sustainability train. We are on the sustainability Hyperloop and we are leaving the sustainability train far behind us. But as you might have guessed, I am biased when it comes to Sweden.

With this Elon Musk- esque metaphor I would like to share with you all the Swedish experiences on how to make the financial system more sustainable and my thoughts on what role the industry could play by applying self-regulation and where supervisory authorities and legislative bodies must



regulate.

In Sweden we have sustainability engrained in the constitution where it says that the public sector shall promote a sustainable development which leads to a healthy environment for present and coming generations.

When applying this to financial market policy we have focused on a risk based approach. This is important because we do not want to mix politics with regulation, but at the same time we want to make sure, in every way possible, that we are doing everything we can to implement the Sustainable Development Goals and the Paris Agreement.

The focus on risk has also been instrumental to how the Swedish Financial Supervisory Authority has approached the matter of sustainability. Because, as we see it, more sustainable financial companies pay more attention to long term challenges which is positive from a financial stability standpoint.

On our initiative, the Swedish FSA has initiated an ambitious agenda to integrate sustainability into its everyday work stream. This includes focusing on:

- how major banks consider sustainability factors in their lending operations
- and how climate change, both its effects and the transition risks affects financial stability.

These activities mirror two other initiatives which are currently taking place, namely the High Level Group on Sustainable Finance and the Task Force on Climate related Financial disclosures. The Swedish FSA's work is therefore tightly interlinked with the recommendations from the two groups.

But the Swedish agenda for more sustainable financial markets doesn't stop with the work being done by the FSA. The Swedish national pension funds which jointly manage over 130 billion dollars will get a legislative overhaul which steers them in a sustainable direction. This means that the funds must pay attention to international agreements which Sweden has ratified, such as the Sustainable Development Goals and the Paris agreement. And in the so called premium pension system, which is open to all UCITS V funds, we will propose a sustainability requirement which stipulates that a fund will not be allowed on the platform without properly declaring how sustainability is integrated in the investment process. This is a big deal as the premium pension system is part of the Swedish national pension system and covers generally speaking all individuals in Sweden. The premium pension system

manages about 100 billion dollars today but the system is growing and is projected to surpass 300 billion during the coming decades.

These initiatives are examples from the Swedish toolbox for a more sustainable financial system. However, in order to make a global mark we must work together within the European Union.

I welcome the Commission's initiative to set up the HLEG group and I have with great interest taken part of the interim report.

Some of the report's recommendations can be implemented by the industry itself, and for some, the initiative must come from member states.

One example which can be initiated by the private sector itself is to change the way you rewards your employees. I urge you to stop aligning compensation with short term performance as this will have an adverse effect on the actions which your employees are taking. It will not be in line with the long term goals which actually build lasting value to a company.

In short, big cash bonuses which are based on short term performance means that employees have no motivation to change. Instead, as the report suggests, the bar for cash reward could be to achieve certain sustainability metrics. This opens up for a more smooth alignment of sustainability and the day to day business.

When looking at what recommendations that the member state can work with, this still need some additional work. However I would like to highlight the importance of scenario analysis which is brought up by both the HLEG group and the Task Force on Climate related Financial Disclosures. In these scenarios banks and insurance firms must pit their businesses plans against a scenario where global temperature rise stops at two degrees. This calls for emissions to peak in three years' time and then drop by more than 60 % by 2050 according to the UN. Needless to say, this will have a profound effect on the fossil industry, especially coal, and of course on those financial actors that support them. Creating scenario based risk assessments, is vital for investors to understand where stranded assets may appear in the future.

For this to happen, the EU must step up their game. They must strengthen the sustainability competence at the European Supervisory Authorities in order to develop and evaluate the financial sector's scenarios over the impact of climate change.

So my message to you today is this: We are in this together, the private and

the public sector. The political system has woken up and is, as we speak, embracing sustainability in the financial system. This will lead to regulatory changes where Sweden's aim is simple: introduce minimum requirements in order to lift the overall quality. Focus on measures to increase transparency in order to reward those who are smart enough to realize that sustainability is the future for investors.

This strategy will be Sweden's sustainable Hyperloop and you are all welcome to join the ride.

Thank you.



Government Offices of Sweden

Speech from Ministry of Finance

# Speech by Minister for Financial Markets Per Bolund at Singapore Fintech Festival - RegTech Forum

Published 18 November 2016 Updated 18 November 2016

Singapore, 18 November 2016. Check against delivery.

Thank you for the opportunity to speak at this conference and a warm welcome to all of you who are here this morning.

I would like to take the opportunity today to share with you some insights from the Swedish FinTech experience. I will also briefly touch upon opportunities and challenges that we face in the near future.

Sweden and Singapore share many similarities. Population wise, we are small countries. Singapore has a population of 5 million, in Sweden we are about 9 million.

Sweden's economy is reliant on highly competitive manufacturing and service sectors and Singapore has followed along the same path. Singapore is indeed, as I have seen during the last few days, home to a thriving FinTech ecosystem and a gateway to Asia.

Given these similarities I believe it is of great value for our two countries to exchange ideas and practices.

Technology-driven change in the financial industry is now taking place at a great speed and this development is here to stay. FinTech spreads across different sectors of the financial markets and is present in for example payments, credit provision, financial advice and insurance. This is in my view a very positive development.

Personally, I believe FinTech may help us to achieve a fundamental change

in the way the financial market works by creating:

- New financing possibilities, such as for example crowdfunding,
- A sustainable financial market where information on environmental impact is disclosed and comparable,
- A safer financial market due to increased transparency, enabled by technological innovation and better systems for monitoring and tracking transactions last but not least
- New, efficient payments systems which ensures electronic payments are safe, easy and immediate.

The question is then, how do we realize this fundamental change of the financial markets and how do we make the best out of emerging technologies to do so. And, what challenges are there along the road?

In this highly competitive world I believe there are three principles of particular importance to reach this vision; Openness, Policy and Cooperation.

Let me explain what I mean.

Openness is to embrace new cultures and new ideas, and in my view all truly innovative places share the fact that they are hubs of different cultures, values and ideas. This creates an environment where new ideas and inventions are born.

Openness is also about increased access to financial services for every citizen regardless of geography and demographics.

My second principle, Policy is about the responsibility of the government to embrace new ideas and to create an environment where these can develop into new successful companies. Policy is also to nudge behavior in the best interest of citizens, companies and the environment.

Finally, success is not possible without my third principle, cooperation – digitalisation knows no borders. Therefore success is dependent on relationships being built on both national and global levels.

Everyone in this room is part of the future of FinTech. We are open and interested in new ideas and some of us are actively involved in creating policies to ensure a level playing field where future ideas can be supported and developed.

I will now share with you some developments in Sweden that in my view illustrates the importance of the three principles I just described.

Sweden is a small exporting nation. That means that we may never take anything for granted and there is a continuous need to embrace and test new ideas.

Openness is fundamental in Sweden, both as we are striving to build an open society for everyone but also to ensure efficient communication with the government. Today, most interactions between companies or citizens of Sweden and the government is digital and most of the transactions are done electronically over the internet.

Turning to government policy, the government must do "the right things" which from a Swedish perspective means using policy tools to support technological development which to a large extent explains Sweden's current position in fintech.

Regarding financial technology, or FinTech, the ground work was laid already in the late 90's. In 1998 it became possible for employees to purchase a personal computer with a tax subsidy. The scheme was called "The home PC reform" and was supported by employers and labor unions.

With the deduction of tax, large tenders that pushed down costs and instalment plans by the employer, people were able to buy state of the art computers at a very good deal. This meant that access to computers was given at precise the same time as the internet was rolled out nationwide.

As new technology required more bandwidth the Swedish government decided to support the building of a nationwide fiber network. This infrastructure investment is still in progress today. Looking into the future, this will of course not replace the need for physical clusters but it opens up for successful companies outside dense populated areas.

Another key to the success of FinTech and other sectors that rely heavily on IT is the state's ability to adapt and offer new ways for the citizens' ability to communicate with the government.

Today, most interactions between citizens of Sweden and the government is digital. For companies, this is even more true. Secure and easy to use electronic identification has been critical to achieve this.

This electronic identification tool has been developed in collaboration with

the private sector, mostly the banks, over many years. Today the Swedish banks are the biggest users. 9 out of 10 transactions with an electronic identity are made by a private person accessing their bank over internet.

Initially it was the government, in fact the tax agency, which had the biggest need to push the usage of electronic identification. This year, 70% of the income tax return forms were submitted electronically. 30 % submitted the income tax returns by using a cell phone, either with a mobile identification or through an app or text-messaging.

The electronic identification tools is also enabling new services, such as mobile payments and remittances with a global reach.

Electronic bank transfers and the use of internet to communicate with your bank have its background in early initiatives such as digital bank transfers for wages, which was introduced in the 1960's.

For a long period the use of cash in Sweden has decreased. Today the value of cash in circulation in relation to GDP is approximately 1.5 percent. In the 1950's this figure was almost 10 percent.

The Central bank also makes surveys on households' payment habits. When asked in September this year, 15 percent answered that they had made their most recent payment in cash. In 2010 this figure was almost 40 percent.

Some argue that Sweden will become a cashless society within a couple of years. The policy issue here is rather access to cash. A majority of bank branches do in fact no longer keep cash on hand or take cash deposits.

The decrease in the use of cash started in the 1990s when the Swedish banks started charging for cheques, and instead promoted the use of credit and debit cards. These cards are today the main form of payments and their success, in combination with a number of electronic payment initiatives in recent years, is the main explanation for the low use of cash in Sweden.

My last principle is about cooperation. Digitalisation has no borders; this is one of the reasons I am here to share and to learn. Cooperation is essential, nationally, EU-wide and internationally.

I believe Sweden's business friendly environment has been a growing ground for all FinTech companies that have been established but also a more general culture of working together coupled with an interest in participating in internationals foras.

At the national level, banks in Sweden have historically joined together to enhance citizens access to cash and payment infrastructure. I have mentioned card payments, where the banks have one single network, and the electronic identification tools. The latest example is "Swish" a mobile payment application for real-time payments, using phone numbers.

Today, with new companies emerging, the trend both nationally and internationally is banks cooperating with startups in order not to lose momentum.

Another example of national cooperation in Sweden is a Financial Sector Public-Private Partnership in Sweden, what we call the "FSPOS". The members are financial institutions such as banks, insurance companies, clearing organizations and public authorities.

The purpose of FSPOS is to work together for a resilient financial infrastructure by sharing information on operational risks and suggest measures for improvements. Experts from FSPOS member organizations meet regularly in order to analyze risks and interdependencies in financial services, develop best practices for continuity management and crisis communication.

Let's now turn to the present. What are we doing today to facilitate the development of FinTech in Sweden?

To improve success for early stage growth companies in Sweden the government has recently taken steps to improve its public venture-capital system. A new public fund-of-funds investment company has recently been founded, which will only invest in private venture capital funds. That means no direct investments in companies as we believe it is up to the market to decide which investments are profitable and which are not. The goal is to secure financing to startups and scaleups in phases of development and segments of the market where the lack of private funds are most challenging.

Being a member of the European Union, we have several initiatives which we look forward to. These initiatives will in our view further enhance FinTech development. I will highlight three important areas.

First, New EU regulation on payment services, the Payment Services Directive 2, PSD2 has recently been adopted. The aim is primarily to help develop an EU-wide market for electronic payments and create better conditions for secure and efficient payments. The directive forces current



payment infrastructures – in Sweden they are mostly dominated by banks – to open up for competition and access which enables more companies to join the current payment infrastructure. This should benefit the customers both from a diversity perspective as well as from a price perspective.

Second, there is a stream of initiatives within the Capital Markets Union. The CMU is part of the investment plan for Europe to boost jobs and growth by facilitating increased cross-border investments within the EU and diversified funding for companies, especially SMEs.

The accelerating reform communication on the next steps for CMU, presented in September this year, specifies that the rapid growth of FinTech has the power to transform EU-capital markets and that the CMU must keep pace with technological developments. The Commission's aim is to ensure that the regulatory environment strikes an appropriate balance between building confidence in companies and investors, protecting consumers and providing the FinTech industry space to develop. We could not agree more and welcome this work on the European level.

The CMU initiative includes several other important work streams, one of which is to reduce barriers for cross-border distribution of financial services. The Commission will shortly present an action plan on retail financial services which will strengthen retail investor participation in capital markets. The action plan will also open up the European market for retail financial services to deliver better results for consumers and companies.

Last but not least, one important area of CMU is the work to develop a comprehensive European strategy on green finance. From a Swedish perspective we strongly support this strategy. Climate Change is one of those defining issues that unite humanity. I can't emphasise enough how important it is that we all take action now to bend the curve and propel us to an emission free future. Within finance, we must support the development of a sustainable financial market and make investment decisions that support a sustainable growth path, these decisions must be aligned with the Paris agreement. Openness and policy are key words here, for example policymakers should require companies to disclose their environmental impact in a comparable way.

Finally I would like to reflect upon the future and bring up some challenges as we see them.

In the financial industry in general, there is, as we all know, work to be done

for participants to comply with regulations and for policymakers to make sure businesses can thrive notwithstanding the large amount of regulation being implemented in Europe and globally.

Here I see a potential for FinTech companies helping financial institutions to comply with regulations; Regtech development can facilitate compliance and make it less burdensome.

It is in my view both a responsibility and an opportunity for a government to support and promote this development; nationally, in the EU and globally. I can today in Singapore with my cellphone pay my bills in Sweden and I can even send some money to my child via SEQR without any additional cost using only my cellphone. The opportunities are vast.

However development is proceeding at a rapid pace; technical innovation goes faster than we as legislators can adjust the legal framework to fit a new era while at the same time making sure new risks are properly addressed.

Technological neutrality in legislation is a difficult thing, but should always be sought after.

Opportunities also come with challenges. Cyber risks as well as money laundering and terrorism financing are key risks that we need to work with. If we do not pay proper attention to these risks as we develop the legislative framework, they may threaten financial stability, our companies and consumers.

A major challenge for any country, striving to be a leading FinTech nation is to fight money laundering and terrorism financing effectively, without stopping the development of a digital financial infrastructure that we see can be of such benefit to all citizens.

As a legislator, the balance between access and opportunity for customers and companies and the risks threatening the same is a difficult but important task we have in front of us.

There is unfortunately no magic wand to secure the development of financial technology keeping with both risks and challenges ahead. But, with a good degree of openness, the right policies and proper cooperation I think we are well equipped to also face future challenges.

So to conclude my speech here today:

- Openness -the government must "do the right things" and this mainly comes down to providing infrastructure and creating a thriving business environment. That means it must be simple and not time consuming to either start a company or to seek funding for further expansion.

- Policy – clear, proportionate and well considered regulation must be enacted. From my experience, good regulation does not inhibit growth, regulation secures that everybody are playing by the same rules. Here, as noted before, a balancing act between securing further growth of a sector must be balanced towards consumer and investor protection.

- Cooperation – by meeting, discussing as we do today, and further share best practices and ideas, we can together strive for further FinTech development and make sure the challenges we meet along the road can be met, safeguarding both a thriving FinTech eco-system as well as customer protection and regulatory compliance.

On that note I will conclude from my side this morning. Thank you for listening.



Government Offices of Sweden

Speech from Ministry of Finance

# Speech by Per Bolund at COP21- Ministerial Meeting on Financing Climate Change Adaptation in Least Developed Countries

Published 07 December 2015 Updated 07 December 2015

6 December 2015, Paris

Check against delivery.

Excellences, colleagues, distinguished guests, ladies and gentlemen,

I would like to thank the under-secretary-general Acharya and ms Todd from the ONE campaign for organising for organizing this important event and for inviting me to address you here today. Few issues could be more important.

Climate change is the challenge of our time – it affects all countries, but the consequences are worst for the poorest and most vulnerable. Addressing the needs of the least developed countries in adapting to climate change must be at the core of our common efforts to combat climate change and its impacts.

Climate change is not about something in the future. It happened yesterday and it is happening now. Words need to be backed up by action. This is not a matter of choice, but a matter of survival. Sweden is committed to assume its share of responsibility.

Here in Paris we need a strong outcome. We are aiming for a global, fair and legally binding agreement that over time will keep the average global temperature rise as far below two degrees Celsius as possible. The developed countries should lead the way by making ambitious commitments.

It is essential that the voices of LDCs are acknowledged and listened to in

the negotiating room. Sweden will continue to act as a bridge builder and promote the perspectives of LDCs. I am pleased that my Government has been able to contribute financially to the negotiation capabilities of the Least Developed Countries.

Sweden will show leadership on climate change mitigation and we intend to be one of the world's first fossil-free countries, with zero net emissions of greenhouse gases by 2050. We challenge other countries and actors to do the same.

Friends,

Sweden has taken a leading role in climate finance and we remain firmly committed to the goal of mobilising 100 billion USD annually by 2020. Our contribution of 580 mUSD to the Green Climate Fund is the most ambitious commitment per capita. Sweden is also one of the largest donors to the Adaptation Fund, the Least Developed Countries Fund and the Global Environmental Facility. Next year we intend to nearly double our multilateral climate support to developing countries, including 17 million USD to the Adaptation Fund and 11,5 million USD to the Least Developed Countries Fund. I can promise you that our engagement will remain strong.

It is positive that the Green Climate Fund has a clear focus on least developed countries and that the Least Developed Countries Fund has demonstrated its ability to play a vital role in supporting adaptation efforts by countries.

We welcome the pledges to the LDCF made at the meeting here in Paris on 30 November, of around USD 248 million.

Friends,

The issue of access to climate finance is vital. Effective absorption is a key factor when considering how funding access by LDC's can be improved. Increased direct access has been a welcome reform over the last several years. At the same time, the role of international organisations in project planning, capacity-building and other areas will continue to be crucial given capacity constraints that often exists in LDC's.

Sweden is continuously working within the boards of the larger climate funds to make the financial means more readily accessible. those most in need, should be first in line.

We look forward to working with all of you for resilient and safe LDCs.

And we will continue to back up our words with action. Thank you.