



Financial stability council

Summary

The financial stability council will be a meeting forum for regular discussion of issues concerning financial stability and risks that can lead to undesired consequences for the financial system as a whole, and thus also indirectly affect the economic outlook. The council will also discuss the preparation of, and need for, measures to be taken based on each government agency's analysis and assessment of financial stability. The council will ultimately work to safeguard financial stability and thus reduce the risk of a negative impact on the economic outlook.

The Government and the government agencies represented in the council independently decide which measures to take in their own areas of responsibility and authority.

Remit

The financial stability council to be established within the Government Offices will be tasked with discussing financial stability issues and contributing to coordinating the measures of the government agencies represented in the council in crisis situations and during elevated preparedness in times of peace. The council will ultimately work to safeguard financial stability and thus reduce the risk of a negative impact on the economic outlook. Continuous evolution of the financial markets requires a council with a broad remit that can adapt its working method to

developments.

By discussing risks, the need for measures and the effects of said measures, and by informing the general public about those discussions, the council can improve market actors' ability to monitor and influence financial institutions and thereby contribute to maintaining market discipline. Through regular meetings, the council will strengthen cooperation between the represented government agencies so as to facilitate a response to any threats to financial stability.

The council will consist of representatives of the Government, Sveriges Riksbank, the Swedish Financial Authority and the Swedish National Debt Office. Sveriges Riksbank will continue to participate on a voluntary basis, as it is a government agency under the Riksdag. The council will provide the opportunity to consider current issues relating to the stability of the financial system from all perspectives, drawing on the expertise and knowledge of the various authorities concerned.

The council will not be a decision-making body. The Government and the government agencies represented will independently determine which measures will be taken within their own areas of responsibility and authority.

The financial stability council will discuss:

- the financial stability situation;
- risks that can lead to undesired consequences for stability in the financial system as a whole and thus indirectly affect the economic outlook, e.g. unsustainable lending or risks that may threaten critical financial infrastructure, such as deficient information security and cybersecurity;
- the preparation of, and need for, measures within the relevant government agencies' remit and mandate based on each government agency's analysis and assessment of the financial stability;
- the effect these measures may have on the financial system and the economic outlook; and
- lessons learned from crisis exercises in which the relevant government agencies participate and how these lessons can be utilised.

A continuous exchange of information will take place within the council as regards international work in the area of financial stability.

To ensure transparency and enable evaluation and follow-up, a report summarising the main elements of discussions during council meetings will be published on the Government website within two weeks of each meeting. The minutes should express the overall assessment of the current stability situation by the government agencies represented in the council.

Working methods and organisational structure

Financial stability council

The financial stability council meetings are led by the chair, who is the minister responsible for presenting business concerning financial markets. The council should meet at least twice per year.

In the event of threats to financial stability and other significant developments, the council will need to hold extraordinary meetings to discuss events and trends that are significant for financial stability, and the need for, and coordination of, crisis measures. If a government agency represented in the council has identified such a threat or trend, it is important for well-functioning crisis management that the agency immediately informs the council of its assessment of the situation and which measures may be appropriate to take. Information may be exchanged within the scope of applicable confidentiality rules and other related regulations. Once the acute crisis has passed, the council can discuss phasing out the various measures taken.

The council chair may summon experts for presentation and discussion of specific issues at council meetings. The government agencies represented in the council should contribute expertise on issues on the agenda. This applies particularly to high-level individuals within the government agencies in areas such as oversight of actors in financial markets and the financial system's payment risks and IT risks, and monitoring of stability in the financial system and payment markets.

Preparatory group

The preparatory group linked to the financial stability council will hold meetings more frequently than the council. The state secretary with responsibility for financial market issues will chair the preparatory group. The preparatory group will consist of high-level representatives from the Government Offices and from each of the other three government agencies.

The preparatory group will also include a representative of each government agency who assists the agency's other members of the preparatory group. The preparatory group may take part in council meetings.

The role of the preparatory group will be:

- to exchange information and discuss the issues that the financial stability council will discuss;
- to prepare financial stability council meetings; and
- to identify the analyses needed as background material for the financial stability council's work based on the government agencies' analysis and assessment of the current stability situation.

In the event of acute threats to financial stability and other significant developments, the preparatory group members must ensure that the council is kept informed.

The preparatory group chair may also call in experts to present and discuss specific issues in the same way as for the council.

Secretariat

The secretariat linked to the financial stability council is responsible for ongoing tasks. The administrative director will lead the secretariat's work. A representative of the secretariat will take part in council and preparatory group meetings.

The role of the secretariat will be:

- to provide administrative and coordinating support to the financial stability council and preparatory group, including documentation of lessons learned from implemented crisis exercises.

In the event of acute threats to financial stability and other significant developments, the secretariat will serve as a central point of contact whose purpose is to share information and assist with coordination, administration of extraordinary council or preparatory meetings, and management of external communication.

Other information

The financial stability council's work will be evaluated by 2030.