



## **OPINION OF THE EUROPEAN CENTRAL BANK**

**of 17 June 2010**

**on Sveriges Riksbank's right to collect information from Swedish issuers of securities**

**(CON/2010/49)**

### **Introduction and legal basis**

On 10 May 2010 the European Central Bank (ECB) received a request from Sveriges Riksbank for an opinion on draft legislation to amend the Law on Sveriges Riksbank (1988:1385) (hereinafter the 'draft legislation').

The ECB's competence to deliver an opinion is based on Articles 127(4) and 282(5) of the Treaty on the Functioning of the European Union and the third and fourth indents of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions<sup>1</sup>, as the draft legislation relates to Sveriges Riksbank and to the collection, compilation and distribution of monetary, financial, banking, payment systems and balance of payment statistics. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.

### **1. Purpose of the draft legislation**

Under the draft legislation, Sveriges Riksbank is given the right to collect information from all issuers of securities resident in Sweden about the securities they issue. This will better enable Sveriges Riksbank to monitor developments in the foreign exchange and credit markets and to oversee the stability of payment systems.

### **2. Background**

Currently, under Chapter 6, Article 9 of the Law on Sveriges Riksbank, Sveriges Riksbank is entitled to gather information on securities issued by those Swedish issuers that are supervised by the Swedish Financial Supervisory Authority. This information may be used to monitor developments in the foreign exchange and credit markets and to oversee the stability of payment systems.

Sveriges Riksbank is not currently entitled to gather information for these purposes from issuers of securities which are not supervised by the Financial Supervisory Authority.

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<sup>1</sup> OJ L 189, 3.7.1998, p. 42.

It has become clear that better information on outstanding securities is important for the oversight of the stability of the financial system. Sveriges Riksbank needs information on all securities issued by Swedish issuers in order to have adequate oversight of the stability of payment systems. Full access to such information would make it possible to analyse the structure of the outstanding liabilities of issuers of securities for financial stability purposes. The draft legislation improves the ability of Sveriges Riksbank to monitor and analyse the securities funding of non-financial companies.

Collecting this type of information also improves the ability of Sweden to participate in the work on the European Centralised Securities Database (CSDB) by providing high quality data on Swedish issuers.

Sveriges Riksbank estimates that only minor additional costs for the providers of data will arise from the changes in the legislation, as the information on securities issued in Sweden can be obtained from Euroclear AB. Only information on securities issued abroad would have to be requested directly from the issuers, who constitute a limited circle of large companies, banks and other reporting agents.

### **3. General observations**

#### *3.1 Scope of information collected*

The ECB welcomes the proposed amendment to the provisions on the collection of information on securities issues, and understands that it will cover all issuers resident in Sweden. Improved information on securities issuance and on redemptions will help Sveriges Riksbank in the performance of its tasks.

#### *3.2 Use of information collected*

The draft legislation could be understood as limiting the use of the information collected to monitoring the developments in the foreign exchange and credit markets and to overseeing the stability of payment systems. It should be clarified that information collected on securities issued by Swedish issuers can be used for other purposes, including financial stability and statistics purposes.

The information on the securities collected pursuant to the draft legislation could also enable Sweden to participate in the work of the CSDB. The ECB suggests that the draft legislation should specify that information collected pursuant to the Law on Sveriges Riksbank may be used to compile and disseminate European statistics by the European System of Central Banks (ESCB). Such a contribution to the CSDB by Sveriges Riksbank would be an exemplary commitment by a non-euro area Member State to the CSDB, contributing to obtaining consistent and accurate information on securities.

#### *3.3 Transmission of confidential information to ESCB members*

Since the information collected by Sveriges Riksbank could include confidential statistical information, it is necessary to specify that such confidential information may be transmitted within the ESCB. Article 8(5) of Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank<sup>2</sup>, provides that: ‘the ECB may decide on the

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<sup>2</sup> OJ L 318, 27.11.1998, p. 8.

collection and transmission to the extent and level of detail necessary, within the ESCB of confidential information originally collected for purposes other than those of Article 5 of the Statute [of the European System of Central Banks and of the European Central Bank] provided that this is necessary for the efficient development or production of statistics or for increasing their quality and that these statistics are necessary for the performance of the tasks of the ESCB referred to in the Treaty.’ Clarification of this would support the statistical function of Sveriges Riksbank in line with Regulation (EC) No 2533/98<sup>3</sup>.

#### **4. Specific observations**

Pursuant to the second paragraph of Chapter 6, Article 9, Sveriges Riksbank will be entitled to collect information on the securities issued by the Swedish issuers of securities in order to monitor developments in the foreign exchange and credit markets and to oversee the stability of payment systems.

As the explanatory memorandum to the draft legislation refers to the use of such information on securities for the purpose of safeguarding financial stability, for the sake of clarity the first paragraph of Chapter 6, Article 9 should refer to the possible use of such information by Sveriges Riksbank for the purpose of the stability of financial system. In the light of the obligation of the national central banks to assist in the collection of statistical information for the performance of ESCB tasks, as set out in Article 5.2 of the Statute of the European System of Central Banks and of the European Central Bank, as well as the systemic relevance of reliable and accurate information on securities, the ECB would also welcome Sveriges Riksbank’s contribution in this field to safeguarding financial stability.

This opinion will be published on the ECB’s website.

Done at Frankfurt am Main, 17 June 2010.

[signed]

*The President of the ECB*

Jean-Claude TRICHET

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<sup>3</sup> Although statistical reporting requirements cannot be imposed on reporting agents resident in Member States whose currency is not the euro, Article 4 of Regulation (EC) No 2533/98 requires all Member States to ‘organise themselves in the field of statistics and to fully cooperate with the ESCB in order to ensure the fulfilment of the obligations arising out of Article 5 of the Statute [of the European System of Central Banks and of the European Central Bank].’