

Changes to the Terms and Conditions for Account Management at Norges Bank. Consultation

1 Introduction

Norges Bank lays down the Terms and Conditions for Account Management at Norges Bank pursuant to Section 3-1, second paragraph of the Central Bank Act and the Regulation on access to lending and deposit facilities at Norges Bank. The Terms and Conditions for banks and central counterparties respectively, were most recently updated with effect from 1 January 2022.

Pursuant to the Central Bank Act, Norges Bank may accept deposits from and extend credit to banks and other financial sector undertakings in order to attain the purpose of the central banking activities. The purpose of the central banking activities is to maintain monetary stability and to promote the stability of the financial system and an efficient and secure payment system. In each case, account management arrangements must be deemed by Norges Bank to promote the purpose of the central banking activities and meet the applicable terms and conditions. Against this background, the terms and conditions have been expanded also to include central securities depositories within the EEA and banks within the EEA offering cross-border services in Norway, in addition to banks and central counterparties as has been the case to date.

2 Changes to the Terms and Conditions

Norges Bank has combined the terms and conditions for account management for various types of financial sector undertakings into a single set of terms and conditions. Common provisions are contained in Chapter 1 – Introductory provisions, while the provisions on various functions of the settlement system appear in Chapters 2 through 5. Maintaining a single set of terms and conditions for account management is also the practice at other central banks, including those in Denmark and Sweden.

Combining the current terms and conditions for account management for banks and central counterparties into a single set mainly involves an editorial change which does not entail major alterations to account holders' obligations or rights. In connection with this change, Norges Bank is also planning some amendments to the terms and conditions that may have importance for account holders. Altogether, the reformatting and amendments entail changes that current account

holders should have the opportunity to become familiar with and possibly comment on before the amended terms and conditions take effect.

The most important changes are as follows (with reference to relevant provisions of the amended terms and conditions):

- A provision on how Norges Bank treats personal information in accordance with the requirements of the data protection legislation has been introduced (cf Section 1.9).
- The provision on Norges Bank's liability has been modified somewhat (cf Section 1.10).
- The exemptions from the parties' duty of confidentiality have been clarified (cf Section 1.11).
- A provision on rules against anti-money laundering has been introduced (cf Section 1.12).
- The provision on information for Norges Bank in the current terms and conditions for central counterparties has been clarified and made applicable to all types of account holders (cf Section 1.13).
- The provision on use of security code tokens for access to NBO Online has been removed (cf Section 2.3 of the current terms and conditions for banks and Section 2.4 of the current terms and conditions for central counterparties). The new solution using a single use code on a mobile phone will be included in the NBO Online user guide.
- A new provision with the main rules for access to deposit and lending facilities has been introduced (cf Section 2.3 and Annex 2). Central counterparties may have overnight deposits of up to NOK 300 million. Specific interest rates are introduced for any deposits above the upper limit and any intraday loans that continue overnight.
- The provision on realisation of collateral has been clarified to enable Norges Bank also to take possession of securities pledged as collateral, whereby the value of the securities will be used to cover the claim, even if the securities are not sold immediately (cf Section 5.9 and Annex 1).

The amended Terms and Conditions for Account Management at Norges Bank are attached.

3 Consultation deadline

Norges Bank requests that any comments to the attached terms and conditions be submitted by 1 February 2024. The amended terms and conditions are expected to be published as a Norges Bank Circular on 1 March 2024, for entry into force on 1 April 2024.

Any consultation comments or questions on this matter should be addressed to Norges Bank Financial Stability, Interbank Settlement Unit, by e-mail at: nbo@norges-bank.no.

Comments received may be published on the Norges Bank website.

Yours sincerely,

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Steinar Årdal
Director, Interbank Settlement

*Elektronisk signert / Signed electronically:
13.12.2023, Torbjørn Hægeland
11.12.2023, Steinar Årdal*

Attachment

Terms and Conditions for Account Management at Norges Bank, with effect from 1 April 2024.