

Statement of separation – avoidance of conflicts of interest in the resolution of central counterparties

Introduction

The Debt Office is the designated resolution authority for central counterparties¹ in accordance with Article 3.1 of EU Regulation 2021/23² (the “Regulation”). Under the Regulation, a resolution authority that has been entrusted with other functions shall have adequate structural arrangements to avoid conflicts of interest between the function of resolution authority for central counterparties and all other functions entrusted to that authority. Article 3.6 of the Regulation requires the resolution authority to adopt and publish internal rules to ensure that conflicts of interest are avoided.

Requirements regarding arrangements to avoid conflicts of interest

There shall be in place adequate structural arrangements to avoid conflicts of interest between the functions entrusted to the resolution authority for central counterparties pursuant to this Regulation and all other functions entrusted to that authority (Article 3.3 of the Regulation). This applies in particular where the resolution authority is also the competent authority under EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (‘EMIR’) – that is, the supervisory authority.

The requirements for establishing arrangements to avoid conflicts of interest shall not preclude that reporting lines converge at the highest level of an organisation that subsumes different functions or authorities, or that staff may be shared between the other functions entrusted to the resolution authority to meet temporarily high workloads, or for the resolution authority to be able to avail itself of the expertise of shared staff (Article 3.4 of the Regulation).

¹ Chapter 1, section 2 of the Act (2022:739) containing supplementary provisions to the EU Regulation on the Recovery and Resolution of Central Counterparties (CCPs).

² Regulation (EU) 2021/23 of the European Parliament and of the Council of 16 December 2020 on a framework for the recovery and resolution of central counterparties and amending Regulations (EU) No 1095/2010, (EU) No 648/2012, (EU) No 600/2014, (EU) No 806/2014 and (EU) 2015/2365 and Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132.

Internal arrangements to avoid conflicts of interest

The Debt Office is not responsible for supervising central counterparties, according to Emir.³ However, the Debt Office has been entrusted with other functions as resolution authority for credit institutions and investment firms, supporting authority, guaranteeing authority and as the authority responsible for the management of central government debt.⁴

Article 3.3 of the Regulation requires the resolution authority to ensure effective operational independence, including separate staff, reporting lines and decision-making process within that authority. According to Article 3.4, separation arrangements shall not preclude that reporting lines converge at the highest level of an organisation that subsumes different functions or authorities.

Decision-making process

Matters of a principled nature or of material importance regarding the Debt Office's role as resolution authority, supporting authority and guaranteeing authority are decided by a special decision-making body at the authority – the Resolution Delegation. Members of the Resolution Delegation are appointed by the Government and the body entails that decision-making and reporting lines are separate in relation to the Debt Office's other activities. The Resolution Delegation has its own rules of procedure.⁵

Matters that are not to be decided by the Resolution Delegation are decided by the Director General of the Debt Office. The Director General of the Debt Office decides, for example, on the organisation of the authority, including the areas of responsibility between departments and units.⁶

Organisation and management of documents

The Debt Office's daily work as resolution authority for central counterparties is conducted within the Financial Stability Department in a specific unit. The unit is physically separated from the department's other units and is accommodated in its own office landscape. In addition, documents are entered in a register that is separate from documents concerning the resolution of credit institutions and investment firms.

³ Finansinspektionen is the supervisory authority for central counterparties in Sweden.

⁴ See the Ordinance containing instructions for the National Debt Office (2023:909) for the Debt Office's tasks and areas of responsibility.

⁵ Rules of procedure for the Resolution Delegation of the Swedish National Debt Office, Ref. 2025/136.

⁶ The Swedish National Debt Office's internal rules of procedure, organisation and decision-making process, Ref. 2025/137.