

Conflict of Interest Policy  
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# Contents

1	Introduction .....	3
2	Scope .....	3
3	Governance and control mechanisms .....	3
3.1	Fundamental aspects of governance .....	3
3.2	Organisation and responsibilities .....	4
3.3	Group arrangements .....	4
3.4	Control mechanisms .....	5
4	Policy application and process .....	5
4.1	Conflict of interest declaration .....	5
4.2	Conflict of interest process .....	5
4.2.1	Identification .....	6
4.2.2	Assessment, handling and documentation .....	6
4.2.3	Reporting and disclosure .....	6
4.2.4	Monitoring and control .....	6
4.3	Sources of conflict .....	7
4.4	Performance of duties specifically relating to STIBOR .....	7
4.5	Outside employment .....	8
4.6	Vendor relationships .....	8
4.7	Breach of conflict of interest .....	8
4.8	Policy Review .....	8
4.9	Publication .....	8

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# 1 Introduction

A conflict of interest can be defined as a situation where an individual or employee, or the organisation he/she represents or has an interest in, has a direct or indirect competing interest with SFBF's activities. This competing interest may result in the individual being in a position to benefit from the situation or it may prevent the company from being able to achieve a result in its best interest, or both. A conflict of interest for SFBF also includes conduct which is not in keeping with its core values and principles.

The purpose of this Conflict of Interest Policy (the "Policy") is to establish arrangements necessary to discover, disclose, prevent, manage and reduce conflicts of interest to ensure that STIBOR is determined independently and without undue influence. In order to meet this, the Policy shall establish a standard of conduct and internal processes to ensure that all employees in the Swedish Financial Benchmark Facility (the "SFBF" or the "Company"), and its service providers act in the best interests of SFBF. Further, this Policy aims to ensure that information related to conflicts of interests that is reported to SFBF or is compiled by SFBF is handled confidential unless it is subject to specific disclosure requirements, and to mitigate conflicts of interest due to SFBF's ownership and control in relation to determining STIBOR.

This Policy is also intended to enhance public confidence in the integrity of SFBF. SFBF benefits from the expertise of individuals with a multiplicity of interests, however, those interests must not conflict with the interests of SFBF nor impair the public confidence necessary for the business operations of SFBF which is to ensure the administration of STIBOR pursuant to the provisions in the BMR.

Employees must be aware of and support the fundamental business principles of SFBF of neutrality and impartiality in all their endeavours and fully comply with the provisions set in this Policy.

## 2 Scope

This Policy shall be applied in relation to all parts of SFBF's business and applies to the Employees of SFBF, third-party Service Providers, members of the Board of Directors of SFBF (the "Board"), any Committees established, and their personal and professional relationships both internally and externally with stakeholders.

## 3 Governance and control mechanisms

### 3.1 Fundamental aspects of governance

SFBF has in place robust governance arrangements which include a clear organisational structure with well-defined, transparent, and consistent roles and responsibilities as further outlined in the Company's roles and responsibility documentation. By having robust governance arrangement, SFBF identifies, prevent and manage conflicts of interest between itself, employees or any person directly or indirectly linked to them by control, contributors or users, and ensures that, where any judgement or discretion in the STIBOR determination process is required, it is independently and honestly exercised.

In accordance with the BMR, and for the avoidance of doubt, no Employee who is directly involved in the provision of STIBOR may have any interests or business connections that compromise the activities of SFBF.

## 3.2 Organisation and responsibilities

SFBF operates with a clear segregation of roles and responsibilities to mitigate conflicts of interest. This is done by having an organisation with an outlined responsibility. General roles and responsibilities are described in SFBF Roles and Responsibilities which is the document that provides a comprehensive description of all SFBF positions. Specific responsibilities for this Policy are provided below:

### **The Board**

The Board has the ultimate responsibility for SFBF's business operations and the overall responsibility for the internal control. As part of this responsibility, the Board must ensure a good internal control environment and establish adequate governing documents on identification and handling of conflicts of interest in line with the business strategy and values. The Board may appoint a preparatory body that may make investigations in relation to identified potential conflicts of interest and propose appropriate actions. The Board shall act in compliance with this Policy and is responsible for adopting this Policy and monitoring the implementation of it. The Board also reviews and approves the annual revisions of this Policy. The Board is responsible for disclosing any potential or actual Conflict of Interest in accordance with BMR.

### **Managing Director**

The Managing Director, as the person with the overall responsibility for the business management of SFBF, is responsible for ensuring that this Policy remains in compliance with the regulatory requirements, as applicable from time to time and that there are adequate resources available to maintain the Policy and ensure that the company is able to fulfil the requirements of this Policy.

### **Head of Risk and Compliance**

The Head of Risk and Compliance is responsible for enquiries, declarations, documentation, reviews and initial investigations related to conflicts of interests. The Head of Risk and Compliance shall review all disclosures and determine whether or not the disclosed conflict constitutes a conflict of interest in accordance with this Policy. The Head of Risk and Compliance is responsible for advising stakeholders, maintaining, monitoring, and implementing this Policy.

### **Employees**

All SFBF Employees including sub-contractors, consultants or any natural person whose services are placed at SFBF's disposal or under the control of SFBF as well as service providers must take responsibility for complying with this Policy and shall continuously identify and internally report existing and potential conflicts of interest as they may arise.

## 3.3 Group arrangements

SFBF is part of a group which is ultimately controlled by the SBA. Being part of a group may indicate specific conflicts of interests, or risks of conflicts of interests, due to the group structure, intra group personnel having multiple functions or tasks within the different parts of the group, or persons within the group management having interests not fully compatible with the best interest of SFBF. In line with the provisions in BMR, the provision of STIBOR is operationally separated from any part of the SFBF's business that may create an actual or potential conflict of interest.

Additionally, in order to identify and mitigate potential conflicts of interest arising from the group structure SFBF has specific governance arrangements in place with clear lines of responsibility for identifying and managing the risks of conflicts of interests. Specific conflicts of interests due to the group and management are also identified in the Conflicts of Interest Register where mitigating actions are inserted.

SFBF also have procedures in place to ensure that information between the group is not shared (e.g. by having non-disclosure agreements with all relevant staff as part of the employment contracts and training regarding sharing of sensitive information). SFBF Employees are physically and logically separated from other personnel and functions within the group and SFBF premises and equipment have restricted access mechanisms to control and monitor access. Ensuring that there are clear separations between the groups different entities minimises the risk of conflicts of interests occurring due to unauthorised sharing of information.

Further, the STIBOR Panel Bank Code of Conduct specifically mitigates conflicts of interest that may arise due to SFBF's ownership or control (since the SBA is being ultimately controlled by the Panel Banks). An example of such a conflict could be if stakeholders of SBA (Panel Banks) have interests which are not in line with the best interests of STIBOR and SFBF due to the heavy regulated environment, due to financial and resource restraints, or, due to other interests in the company group or as a result of other persons that may exercise influence or control over SFBF in relation to determining STIBOR.

Embedded control mechanisms deemed to reduce the risk of conflicts of interests, and to mitigate the risk of realisation of conflicts of interests, including those that may arise due to the group structure, are found in the first line of defence where conflicts of interests may be identified, and by the second line of defence in its monitoring and review responsibility.

### 3.4 Control mechanisms

SFBF's relations with contributors and service providers are governed by various control mechanisms. For example, the Company has in place a STIBOR Panel Bank Code of Conduct for contributors which outlines the responsibilities of the contributors which are overseen by the OC.

In regard to the determination of STIBOR and unjust influence SFBF have established dedicated control mechanisms as per Article 2(1)(c) (EU) 2021/1350, further outlined in the *Suspicious Behaviour Policy* and the *Input Data Integrity Policy*.

## 4 Policy application and process

### 4.1 Conflict of interest declaration

Before or upon assuming their official duties, SFBF employees and contractors shall read this Policy and declare that they have read it and agree to abide by it. This includes declaring in writing any perceived, potential, or actual conflicts of interests. Employees are required to update their declaration when there are changes or at least annually.

### 4.2 Conflict of interest process

The Company has established a process for the identification and handling of new and existing conflicts of interest. The process includes the below steps.

- Discover - Identification
- Assessment, handling and documentation
- Reporting and disclosure
- Monitoring and control

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#### 4.2.1 IDENTIFICATION

SFBF, including Employees and the Board, shall continuously identify circumstances or conditions that constitute or may give rise to conflicts of interest that entail a significant risk that the interests of SFBF, stakeholders or users will be adversely affected. The Head of Risk and Compliance shall, at least annually or when necessary, initiate a training session with relevant people to evaluate the business in order to identify existing and potential conflicts of interest and determine how to handle them. Both new and existing SFBF employees shall take part in such a training. Trainings and a participation log are registered in the conflicts of interest register.

If an employee is unsure whether a situation constitutes a conflict of interest, they should confer with the Head of Risk and Compliance. In addition to this, under the Whistleblowing Policy, all employees are able to raise concerns, including potential conflicts and breaches of this Policy.

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#### 4.2.2 ASSESSMENT, HANDLING AND DOCUMENTATION

Identified, existing or potential conflicts of interest must be reported immediately to the Head of Risk and Compliance. In all cases of disclosure, the Head of Risk and Compliance will perform a risk analysis and present the findings to the Board through the Quarterly Risk and Compliance Report. The Board or any of its appointed preparatory bodies shall question whether or not identified potential conflicts of interest can be managed by mitigating actions, or whether it needs to be resolved. If identified conflicts of interest cannot be adequately managed, the Board shall see to it that SFBF either cease the activities or relationships that create the conflict of interest. The Head of Risk and Compliance is responsible for the documentation.

All declared conflicts of interests are documented in the conflict of interest register, together with the mitigating actions and potential external disclosure. The Head of Risk and Compliance is responsible for the documentation.

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#### 4.2.3 REPORTING AND DISCLOSURE

SFBF shall publish or disclose all declared existing or potential conflicts of interest to users of STIBOR, to the Swedish FSA and, where relevant, to contributors, including conflicts of interest arising from the ownership or control of SFBF. The Swedish FSA will be informed of new conflicts in connection with regular compliance reporting, or whenever a new conflict is identified, as appropriate. In the event that a public disclosure takes place, SFBF will publish the conflict of interest on its website.

Regardless of whether the breach is disclosed to an external party, there may be implications for the conflicted Employee, such as further training or disciplinary measures. It shall here be noted that all information that is reported to SFBF or complied by SFBF is handled pursuant to confidentiality in all cases where disclosure is not required.

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#### 4.2.4 MONITORING AND CONTROL

In addition to the mentioned control mechanisms above, the MD is responsible for monitoring SFBF's compliance with this Policy and to ensure it is updated. Continuous monitoring and control are performed by the Head of Risk and Compliance as detailed above.

### 4.3 Sources of conflict

Sources of conflicts in SFBF include conflicts of interest between itself, employees or any person directly or indirectly linked to them by control, and contributors or users. Actual and potential conflicts are documented in the conflicts of interest register. A conflict may, for example, arise:

- Where an employee's private affairs or personal financial interests are in conflict with their work duties, responsibilities, and obligations, or result in a public perception that a conflict exists.
- Where an employee may be dealing in personal accounts where there may be a potential benefit to that employee through their involvement with SFBF which could impair the employee's ability to act in the best interest of SFBF.
- Where the actions or inaction of an employee would compromise or undermine the trust that clients (or stakeholders) place in SFBF.
- Where an employee participates in entities making licensed or unlicensed use of STIBOR information calculated by SFBF.
- Where an employee participates, or trades in financial instruments that is related to information calculated by SFBF activities.

### 4.4 Performance of duties specifically relating to STIBOR

This policy mitigates conflicts of interest due to SFBF's ownership or control, or due to other interests in SFBF or as a result of other persons that may exercise influence or control over SFBF in relation to determining STIBOR.

SFBF ensures that all SFBF employees, including service providers, sub-contractors or third-party service providers, who are directly involved in the provision of STIBOR:

Have the necessary skills, knowledge and experience for the duties assigned to them and are subject to effective management and supervision.

Are not subject to undue influence or conflicts of interest and that the compensation and performance evaluation of those persons do not create conflicts of interest or otherwise impinge upon the integrity of the STIBOR determination process.

Do not have any interests or business connections that compromise the activities of SFBF.

Are subject to effective procedures to control the exchange of information with other Employees involved in activities that may create a risk of conflicts of interest or with third parties, where that information may affect STIBOR.

Are prohibited from contributing to a benchmark determination by way of engaging in bids, offers and trades on a personal basis or on behalf of market participants, except where such way of contribution is explicitly required as part of the benchmark methodology and is subject to specific rules therein.

Shall not vote on, or participate in, any discussion about a resolution to approve a contract in which he/she has any interest, nor will an Employee approve and/or sign off on such circumstances.

In the performance of their duties, Employees must not:

- Place themselves in a position of obligation to persons who might benefit or appear to benefit from special consideration with respect to SFBF business.
- Have a monetary interest that would conflict with the discharge of the duties owed to SFBF

- Disclose, discuss, use, disseminate take advantage of, potentially or actually benefit or appear to benefit from the use of information not generally available to the public and which has been acquired during their official SFBF duties.
- Assist private entities or persons in their dealings with SFBF where this could result in preferential treatment to any person.
- Directly or indirectly use, or allow the use of, SFBF property or information for anything other than officially approved activities.

## 4.5 Outside employment

Employees may engage in remunerative employment with another employer, undertake contractor's activity, own a business, or receive remuneration from public funds for activities outside their position provided that:

It is approved by the MD and/or the Board.

- It does not interfere with the performance of their duties.
- It does not bring SFBF into disrepute.
- They do not have an advantage derived from their employment as an Employee.
- It is not performed in such a way as to appear to be an official act or to represent SFBF's public positions or policies, including the core values.
- It does not involve the use of SFBF premises, services, SFBF email address, equipment or supplies to which the Employee has access by virtue of their employment, unless official authorisation is secured.

## 4.6 Vendor relationships

Goods and services shall not be purchased from relatives of an employee. Exceptions can be considered with prior approval from the Managing Director and/or the Board.

## 4.7 Breach of conflict of interest

Employees are required to contact the Head of Risk and Compliance without undue delay whenever they have any questions as to whether a particular circumstance may place them in a potential or actual conflict of interest.

## 4.8 Policy Review

This policy will be reviewed annually.

## 4.9 Publication

This policy is made publicly available on SFBF website.