Primary Dealer Agreement
for
Norwegian government bonds

Norges Bank

and

_______________________________
(Primary Dealer)

with organisation number ________________________,
hereinafter referred to as the PD, have entered into a Primary Dealer Agreement for Norwegian government bonds (hereinafter “the Agreement”).

The Ministry of Finance is responsible for the management of Norway’s government debt. Pursuant to Section 3-7 of the Act No 31 of 21 June 2019 relating to Norges Bank and the monetary system (Central Bank Act), Norges Bank shall provide services relating to sovereign debt issuance and management. Under a mandate laid down by the Ministry of Finance, the Bank shall meet the government’s borrowing requirements, as defined by the Ministry, and manage government debt outstanding. The Bank issues government debt in the name of the Ministry of Finance and for the account and risk of the Ministry.
Clause 1 What the Agreement pertains to

(1) The Agreement regulates the obligations and rights of the PD in Government bonds.

(2) The annexes to the Agreement as they exist at any time constitute an integral part of the Agreement. Norges Bank may amend the further provisions of the annexes with 45 days’ notice to the PDs. The annexes are:

   a) Annex A: Further provisions regarding bidding at auctions and quoting prices in the Interdealer Market
   b) Annex B: Terms and conditions for repurchase agreements
   c) Annex C: Further provisions regarding evaluation of primary dealers and remuneration
   d) Annex D: List of authorisations, contacts etc. Organisational chart
   e) Annex E: Restrictions on sales regarding the US

(3) The issuance and reopening of Government bonds are regulated further by the following terms and conditions (the “Regulations”) (see www.debtNorway.no):

   a) Norwegian government bonds – General terms and conditions
   b) Sale of Treasury bills and government bonds
   c) Specific terms

(4) The Regulations as they exist at any time constitute an integral part of the Agreement.

(5) Norges Bank may enter primary dealer agreements similar to this Agreement with new institutions at any time during the term of the Agreement.

Clause 2 Definitions

In the Agreement and Annexes, the following definitions apply

“Government bonds” or “bonds” are all Norwegian government bonds that are listed on Oslo Børs and new government bonds that come to be listed on Oslo Børs. Government bonds are issued in different series, each with its own ISIN. Government bonds in the same series are subject to identical terms and conditions.

The “Primary Market” is the market for issuances and reopenings of Government bonds;

The “Secondary Market” comprises the Interdealer Market and the Customer Market;

The “Interdealer Market” is the market for trading in Government bonds between PDs;

The “Customer Market” is the market for trading in Government bonds with a counterparty that is not another PD or Norges Bank;

The “Auction System” is the auction system used at auctions and is specified by Norges Bank in Annex A;

The “Trading Venue” is the electronic trading venue for the Interdealer Market and is specified by Norges Bank in Annex A;

The “Announcement System” is any system used by Norges Bank for announcements and is specified by Norges Bank in Annex A.
Clause 3 The primary dealer arrangement

(1) The purpose of the primary dealer arrangement is to promote the liquidity of the Norwegian government securities market.

(2) Only PDs have the right to bid at auctions for the issuance or reopening of Government bonds.

(3) Only PDs have the right to enter into agreements to buy and sell back Government bonds from the government’s own stock.

(4) Norges Bank shall prepare and maintain a list of PDs. The list is published at www.debt norsk. PDs on this list have the right to use the designation “Appointed Primary Dealer in Norwegian Government Bonds”. The list shall be sent to Finanstilsynet (Financial Supervisory Authority of Norway).

Clause 4 The PD’s rights

(1) The PD has the right to use the designation “Appointed Primary Dealer in Norwegian Government Bonds”.

(2) The PD has the right to bid at auctions for the issuance or reopening of Government bonds.

(3) The PD may enter into agreements to buy and sell back Government bonds from the government’s own stock pursuant to Annex B.

(4) The PD will be evaluated twice a year as specified in Annex C and shall receive reports on the evaluations.

(5) The PD may be remunerated as specified by Norges Bank in Annex C.

(6) The PD shall be given an opportunity to comment on changes in either the Auction System or Trading Venue.

Clause 5 The PD’s obligations

(1) The PD shall participate in the Primary Market by bidding at auctions for the issuance or reopening of Government bonds, either on its own behalf or for the account of clients.

(2) The PD shall actively contribute to trading in Government bonds in the Primary Market.

(3) The PD shall participate actively in the Interdealer Market and shall quote firm bid and offer prices on the Trading Venue.

(4) The PD shall seek to quote indicative prices in the Customer Market in a manner that promotes the market for Norwegian government securities.

(5) The PD shall actively promote a well-functioning Secondary Market and contribute to creating liquidity in trading and to enlarging the investor base for Government bonds.

(6) The PD shall on an ongoing basis inform Norges Bank of market conditions and recommend measures that may improve the liquidity of the Customer Market.

(7) The PD shall work to promote interest in Government bonds through analyses, publications or other products aimed at potential buyers of Government bonds.

(8) The PD shall report all transactions in Government bonds, including auction trades, to Norges Bank on a form specified by Norges Bank.
(9) The PD shall comply with all relevant rules (including laws, regulations, statutes or other limitations) relating to restrictions on sales, money laundering, taxation and capital markets in general. The PD shall ensure that resale of Government bonds takes place in accordance with the legislation in force at any time in affected jurisdictions.

(10) Government bonds may not be subscribed for or purchased for the account of persons residing or registered in jurisdictions where such a purchase is unlawful or be resold to persons residing or registered in jurisdictions where such resale is unlawful. With regard to the US, the limitations pursuant to Annex E (Restrictions on sales regarding the US) apply. If Annex E contains information that conflicts with this contract document, this contract document shall have priority.

(11) The PD shall show good conduct when entering into trades to ensure correct registration in VPS (the central securities depository of Norway) and timely settlement in the securities settlement system (VPO). In the event of delayed payment, interest on arrears accrues in accordance with the Act relating to interest on overdue payments etc.

(12) The PD shall show good conduct when entering into repurchase agreements.

(13) The PD shall immediately inform Norges Bank of circumstances that may have a bearing on its primary dealer activities or the PD’s fulfilment of this Agreement, eg changes in the PD’s organisation and financial position, operating arrangements or changes in the company’s executive management.

(14) The PD shall submit a list of persons who are authorised to submit bids at auctions and enter into repurchase agreements. The PD shall submit an organisational chart or similar overview showing the organisation of primary dealer activities. This information shall be included in Annex D. Norges Bank must be notified immediately of any changes.

**Clause 6 Norges Bank’s right to obtain and exchange information**

The PD gives its consent to allowing Norges Bank to obtain information from the Trading Venue that may be relevant to the PD’s engagement in primary dealer activities, notwithstanding the Trading Venue’s duty of confidentiality to the PD. Norges Bank has a duty of confidentiality under Section 5-2 of the Central Bank Act.

**Clause 7 Suspension**

In the event of material breaches of the PD’s obligations under the Agreement, Norges Bank may immediately suspend the PD’s right to act as a primary dealer for a definite or indefinite period. The PD shall be given the opportunity insofar as it is possible to make a statement prior to a decision to suspend the PD.

**Clause 8 Termination**

Either of the parties may terminate the Agreement with 30 calendar days’ written notice. Termination of the Agreement shall be announced by Norges Bank over the Announcement System.

**Clause 9 Choice of law and venue**

The Agreement is subject to Norwegian law and is subject to the jurisdiction of Norway. The venue is Oslo District Court.

**Clause 10 Entry into force**

The Agreement enters into force when signed by both parties, but no earlier than 1 January 2021.
The Agreement has been prepared in two copies. One copy is to be retained by each party.

Place and date:

___________________________________________  ________________________________
Signature PD                           Signature

Name in block letters  Name in block letters

Place and date:

___________________________________________  ________________________________
Signature Norges Bank                           Signature

Name in block letters  Name in block letters