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The Riksbank wants to use the European T2 platform for payment settlement

The Riksbank decided today to proceed with the process of using the European technical platform T2 for its RIX-RTGS payment settlement service. The Riksbank is thus fulfilling its 2021 policy decision and has decided to negotiate an agreement with the ECB for payments in Swedish kronor to be settled on the T2 platform.

The payments market is evolving at a rapid pace. Every month, around 700,000 large-value interbank payments totalling SEK 13,000 billion are settled in the Riksbank's RIX-RTGS system. To be able to continue providing a state-of-the-art payment system, the Riksbank has for some time been investigating the possibilities of sharing a technical platform for payment settlement with other central banks.

“RIX-RTGS is a cornerstone of the financial system in Sweden and for the general public to be able to make payments. By connecting it to the European T2 platform for settling payments in Swedish kronor, we can, together with other central banks, ensure that RIX-RTGS becomes an even safer and more efficient payment system in the long run, both in everyday life and in a crisis,” says Erik Thedéen, Governor of the Riksbank.

Contract negotiations with the ECB will start in 2024. The transition to the platform is expected to take around five years. RIX participants will be consulted on a timetable for the transition.

The Executive Board also stands by its earlier policy decision to move securities settlement to the European TARGET2-Securities (T2S) platform in the future. However, a transition to the T2 platform should be implemented before starting a transition to the T2S platform.

Fact box:

In Sweden, similar to central banks in other countries, the Riksbank provides a centralised payment system that banks and other financial institutions use to make payments between one another. The Swedish payment system is called RIX. Banks, clearing organisations, the Swedish National Debt Office and the Riksbank are participants. The RIX system has two settlement services: RIX-RTGS and RIX-INST. RIX-RTGS is for large-value payments and RIX-INST for smaller and instant payments. RIX-INST currently uses the European TIPS platform for its payment settlement.