



Memorandum

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Amendments to the Terms and Conditions for RIX and Monetary Policy Instruments - RIX Business Hours

Purpose and background

Central bank money has a unique position in the payment infrastructure; only central bank money offers financial institutions entirely risk-free payment settlement on competitively neutral terms. Advances in information technology, greater competition and demand for standardisation are leading to rapid developments in the payment market. The Riksbank therefore sees the need to continually review the conditions for how central bank money is used in order to ensure that it continues to be the norm for how financial institutions settle payments among themselves and that the Riksbank promotes innovation in the field. As a step in this development, the Riksbank proposes an extension to the RIX system business hours until 18.00.

In brief, the proposed amendments to the Terms and Conditions imply the following:

- The RIX system will stay open until 18.00.
- All LOMs will close at 17.00.
- Staffing exemptions may be possible
 - From LOM closure for RIX participants who are not Monetary Policy Counterparties
 - 30 minutes after LOM closure for Monetary Policy Counterparties

Closing time for the RIX system

Under the proposed amendments, the RIX system will stay open until 18.00. This means that RIX participants are expected to keep their connections to RIX open and have them adequately staffed from 07.00 to 18.00. Exceptions to this can be approved by the Riksbank according to the section "Staffing exemptions" below.

Changing the closing time to 18.00 will also mean that the Riksbank's fine-tuning transactions will be postponed one hour and hence processed from 17.00 onwards.

Changing the closing time requires amendments to Annex H3 - RIX Instructions:

- *9.9 Time schedule*: RIX closing times are adjusted.
- *21.1 The role of the Riksbank*: Help-desk opening time is adjusted

Closing time - LOMs

Under the proposed amendments, closure of all LOMs will be postponed to one hour before RIX closure, i.e. 17.00. Under the currently valid Terms and Conditions, one LOM (PRT LOM) closes earlier than the other LOMs. The Riksbank sees it as operationally beneficial for all LOMs to close at the same time and therefore proposes that PRT LOM shall also close at the same time as the other LOMs at 17.00.

Changing LOM closing times requires amendments to:

- Annex H3 - RIX Instructions:
 - o *9.9 Time schedule*: LOM closing times are adjusted.
- Annex A7 - Special instructions for dealing with disruptions:
 - o *3.3: Manual routines for settlement procedures*: Amendment to decision times.

Staffing exemptions

The proposed amendments do not involve any changes to the Terms and Conditions. The text regarding staffing requirements in the *Master Document C.1.4.2 RIX participants' business hours with RIX* remains valid. This means that the Riksbank can approve staffing exemptions during the last RIX business hour.

For an exemption to be approved, the RIX participant must submit an application. The Riksbank will assess such an application and come to a decision on the exemption.

In its analysis prior to the amendment of the Terms and Conditions, the Riksbank has concluded that it should be possible to obtain exemption from the time where the participant has verified that all transfers/transactions in the counterparty's RIX account have been concluded for the day, although no earlier than LOM closing time for participants who are not monetary policy counterparties and 30 minutes after LOM closing time for monetary policy counterparties.

Please note that exemptions are linked to LOM closure and that the timing may be later in the event of an incident requiring extended business hours.

Please note that it is incumbent on the counterparty that has been granted an exemption to verify that all transfers/transactions in the counterparty's RIX account have been concluded for the day should the counterparty intend not to have staffing. Any costs arising from the Riksbank not being able to contact the counterparty must be met by the counterparty.

Information on which institutions have been granted exemptions will be sent to all RIX participants, so that it is clear which institutions do not have staffing and hence cannot be contacted after a specific time of the day.



Please note that the exemption decision is based on a risk assessment and that an exemption can be revoked if the Riksbank considers that it poses risks to the functioning or stability of the RIX system or the monetary policy operational framework.

No amendments are required to the Terms and Conditions as the current Terms and Conditions (Master Document C.1.4.2) state that the Riksbank may allow a RIX participant to limit their daily business hours, but that the RIX participant may not close earlier than 17.00.