Instructions RIX and
Monetary Policy Instruments

Overall description of
RIX-INST

March 2024

S V E R I G E S   R I K S B A N K

Contents

1   Introduction

RIX-INST is a Settlement Service provided by the Riksbank within the framework of RIX. RIX is a Designated Settlement System in accordance with the Swedish Settlement Act[1] and the European Settlement Finality Directive[2]. In addition to RIX-INST, the Riksbank also provides the RIX-RTGS Settlement Service within the RIX framework.

The aim of RIX-INST is to enable instant settlement of individual payments in central bank money round the clock (24/7).

To provide the service, the Riksbank uses the technical platform developed by the Eurosystem for the TARGET Instant Payment Settlement (TIPS) service.

The TIPS platform is based on the ISO 20022 standard and follows the rulebook for SEPA Instant Credit Transfer (SCT Inst).[3]

However, the RIX-INST service shall support the Nordic NPC Instant Credit Transfer (NCT Inst) rulebook[4] and also enable settlement of Instant Payments that do not completely follow NCT Inst.

The *Terms and Conditions for RIX and Monetary Policy Instruments* (Terms and Conditions) in force at any given time apply to participation in the RIX-INST Settlement Service. For the RIX-INST Settlement Service there are special instructions, the *RIX-INST Instructions*, that are available on the Riksbank's website.

This document is an extract from RIX-INST Instructions.

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[1] The Swedish Act on the Settlement of Obligations on the Financial Market (1999:1309).
[2] Directive 98/26EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems.
[3] 2019 SEPA Instant Credit Transfer.
[4] 2021 NPC Instant Credit Transfer.

2 Overall description

2.1 In general

RIX is a Designated Settlement System with two Settlement Services, RIX-RTGS and RIX-INST. The RIX-INST Settlement Service is available round the clock every day of the year (24/7/365). Payment Instructions are settled in RIX-INST, on condition that the messages fulfil the applicable format requirements and that the requisite liquidity for the Payment is present. Settlement takes place in the form of bookkeeping entries on the Participants' Settlement Accounts in RIX-INST.

2.2 Interaction with RIX-RTGS

Payment settlement in RIX-INST is independent of the RIX-RTGS Settlement Service an there is no requirement for a RIX-INST Participant to also be a participant in RIX-RTGS.

However, there are links between RIX-RTGS and RIX-INST as far as liquidity is concerned. Liquidity cannot be created in RIX-INST, only redistributed there. Liquidity can only be created in RIX-RTGS by using intraday credit. Liquidity can be transferred from RIX-RTGS to RIX-INST and from RIX-INST to RIX-RTGS. Depending on the direction of them, such transfers can be initiated in RIX-RTGS Online, RIX-INST Online or by sending messages via application. RIX-RTGS is available for liquidity transfers to and from RIX-INST 24/7/365 with the exception of about one hour after closure of RIX-RTGS (17:58 – 19.00), which occurs every Business Day.

There is also functionality in RIX-RTGS enabling queries on balances in RIX-INST if the party making the query is also a participant in RIX-INST.

Fees and interest linked to the participation in RIX-INST are drawn from the Settlement Account in RIX-RTGS, either the Participant's account if it is also a participant in RIX-RTGS or the RIX-RTGS Agent's account if the Participant is not a participant in RIX-RTGS. There is a pre-defined time in RIX at which the Value Date is initiated, 18.00. The balances in RIX at the time when the Value Date changes are used for any interest calculations.

More information on RIX-RTGS can be found in *RIX-RTGS Instructions* and annexes to these.

2.3 Communication

Participants themselves are responsible for and pay for the communication required to communicate with RIX-INST. All communication with RIX-INST is done via the Eurosystem Single Market Infrastructure Gateway (ESMIG). To join ESMIG, a RIX-INST Participant needs an agreement with a Network Service Provider - NSP.

There are two ways of communicating with RIX-INST: Either through message communication via an application or through interaction via a user interface. The communication refers to both the sending and receiving of Payment Instructions, notifications, reports, etc., and connection to RIX-INST interface, RIX-INST Online and RIX-INST CRDM. RIX-INST Online gives the user the option of making queries and making liquidity transfers from RIX-INST to RIX-RTGS. RIX-INST CRDM gives the user the option of making queries about own reference data, user, authorisations, roles, etc. Payment Instructions cannot be executed in the user interface, only via application.

Every application or user interacting with RIX-INST is uniquely identified with a Technical Address (Distinguished Name (DN)). The DN Address is uniquely linked to a digital certificate. The certificate is issued by the chosen Network Service Provider and allocated by a RIX-INST Actor to its users (communication via user interface) or applications (communication via application).

2.4 Relationship to NCT Inst

NCT Inst is the Nordic payment scheme for Instant Payments established by the Nordic Payment Council (NPC).

The RIX-INST Settlement Service supports Payments sent in accordance with NCT Inst, including Payments with deviations that have been agreed bilaterally or within a user group.

RIX-INST will be adapted to amendments in NCT Inst adopted by NPC if these are communicated to the Riksbank in sufficient time prior to introduction. If the amendments imply major deviations from SCT Inst and if these amendments were to involve basic changes to the TIPS Platform, the Riksbank may not be able comply with these requests for modifications in RIX-INST.

Adherence to NCT Inst, by signing an NCT Inst adherence agreement, is a condition for being certified for RIX-INST. Adhering to NCT involves the RIX-INST Participant, as a minimum, being able to receive Payments sent in accordance with NCT Inst.

As of November 2023 RIX-INST is aligned with NCT Inst, with the exception of some discrepancies. The Riksbank will provide a list containing these discrepancies. The list will also contain instructions on how these discrepancies should be handled by the RIX-INST Participants. The Riksbank has the intention to correct the discrepancies in the release of November 2025.

The requirement to adhere to NCT Inst entered into force the 19th of November 2023 for all RIX-INST participants. All RIX-INST Participants are still required to adhere to NCT Inst despite the discrepancies mentioned above.

The Riksbank has granted exemption for the requirement to adhere to NCT Inst to all RIX-INST Participants until November 2024. However, if a RIX-INST Participant, prior to November 2024, starts using RIX-INST for payments other than those that currently exist, i.e. Swish, the Riksbank will revoke the exemption from the time these other Payments start to be settled in RIX-INST. The Riksbank has the option of granting temporary exemption from the requirements for adherence to NCT Inst also after November 2024 if the RIX-INST Participant can prove that there are special grounds.

2.5 Participation in RIX-INST

To participate in either of the RIX-INST or RIX-RTGS Settlement Services, an institution must first become a RIX Participant and then be certified for one or both Settlement Services.

A RIX Participant can choose to participate in both RIX-RTGS and RIX-INST or in just one of the services. An institution that only participates in RIX-INST needs to have an agreement with a RIX-RTGS Participant stating that the latter undertakes to pay fees and interest that arise as a result of the institution's participation in RIX-INST and to transfer liquidity to its account in RIX-INST. The RIX-RTGS Participant offering such a service is referred to as a RIX-RTGS Agent.

It is also possible to participate indirectly in RIX-INST via a RIX-INST Participant. The indirect participant has no relationship with the Riksbank and will need to rely on services from the Participant. Such an indirect participant in RIX-INST is treated as a Reachable Party.

The RIX-INST Participant can choose to instruct Payments to RIX-INST itself or allow an Instructing Party to act on behalf of the RIX-INST Participant, for all or some Payments.

If the same Instructing Party acts on behalf of both an Originating Participant and a Beneficiary Participant and the Riksbank has given the Instructing Party access to the Single Instructing Party Model (SIP Model), this actor is referred to as a Single Instructing Party. The Riksbank then gives the 'Single Instructing Party' authorisation to the Technical Address (DN) that belongs to the Instructing Party.

2.6 Accounts

Settlement Accounts in RIX-INST are used for the settlement of Payment Transactions and Liquidity Transfers from or to RIX-RTGS.

A Settlement Account in RIX-INST cannot have a negative balance, i.e. there is no access to credit in RIX-INST. However, liquidity created as a result of any access to credit in RIX-RTGS can be transferred to the Settlement Account in RIX-INST.

A RIX-INST Participant can have one or more Settlement Accounts. If a Participant has several Settlement Accounts in RIX-INST, the liquidity in RIX-INST needs to be divided.

Only a RIX-INST Participant can have a Settlement Account. An Account can be used by others, however. To enable use of the same Settlement Account for different purposes, the RIX-INST Participant can choose to establish Credit Memorandum Balances (CMB) linked to the Account. By having a CMB, it is possible to control how a Settlement Account's liquidity is used. The Participant can also allow the Settlement Account to be used for Payments referring to a Reachable Party.

For a CMB, the RIX-INST Participant can specify a Limit which is a fixed amount or unlimited. The CMB is not a balance on an account at the Riksbank but is an accounting function used by the RIX-INST Participant. All Payment Transactions applicable to a specific CMB are recorded on the Settlement Account to which the CMB is linked.

For each Settlement Account or CMB, there needs to be a unique Authorised Account User. The Authorised Account User is defined as a specific BIC11.

2.7 Liquidity management

For the RIX-INST Settlement Service to work efficiently, it is important for there to be good capacity for liquidity management in RIX-INST. Parties participating in RIX-INST are responsible for managing the liquidity on their accounts in RIX-INST. To facilitate liquidity management, the Riksbank has ensured that there are sufficient tools available to support this. Most of these tools are available in RIX-RTGS.

Liquidity Transfers can be initiated via RIX-RTGS both from RIX-RTGS to RIX-INST and from RIX-INST to RIX-RTGS. It is also possible to have standing Liquidity Transfers, both those for which amounts have been determined and those linked to the current balance on a Settlement Account in RIX-INST. Liquidity Transfers can also be made from RIX-INST to RIX-RTGS via RIX-INST. Liquidity Transfers can more or less be made 24/7/365 with the exception of about one hour after closure of RIX-RTGS (17:58 – 19.00), which occurs every Business Day.

In addition to Settlement Accounts in RIX INST and RIX-RTGS, for RIX Participants – both those who participate in RIX-RTGS and those that participate in RIX-INST – is calculated a total Net Balance in RIX. The Net Balance in RIX corresponds to the total balance on all the Participant's accounts in RIX-RTGS and RIX-INST. The Net Balance in RIX is only updated in connection with the activities at the end of the Value Date. The Net Balance in RIX is used to calculate interest when Value Date change occurs. The Net Balance in RIX for a Monetary Policy Counterparty can be either positive or negative. The balance leads to one or several of the Standing facilities described in the Terms & Conditions section D.2 being used. The Net Balance in RIX for other RIX Participants, without access to overnight credit, must be zero or positive.

2.8 The payment process

Payment Transactions are settled in RIX-INST, on condition that the messages fulfil the format requirements applicable to RIX-INST and that the requisite liquidity for the Payment is present.

Settlement takes place in the form of bookkeeping entries on the Participants' Settlement Accounts in RIX-INST. It is possible to send Payment Instructions, Requests for Recall, instructions for Investigation and responses to these instructions to RIX-INST.

RIX-INST offers two different models for settlement, the Standard Settlement Model and the Single Instructing Party Settlement Model (SIP Model).

When the Standard Settlement Model is being used, the amount is reserved on the Originating Participant's RIX-INST Settlement Account. A Payment Request is then sent to the Beneficiary Participant or its Instructing Party. The reserved amount is blocked and cannot be used for other Payments or Liquidity Transfers. If the Beneficiary Participant or its Instructing Party answers that it wishes to receive the Payment, the reserved amount is released and the transaction is immediately settled. RIX-INST then sends confirmation of the settlement to both the Originating Participant or its Instructing Party and the Beneficiary Participant or its Instructing Party.
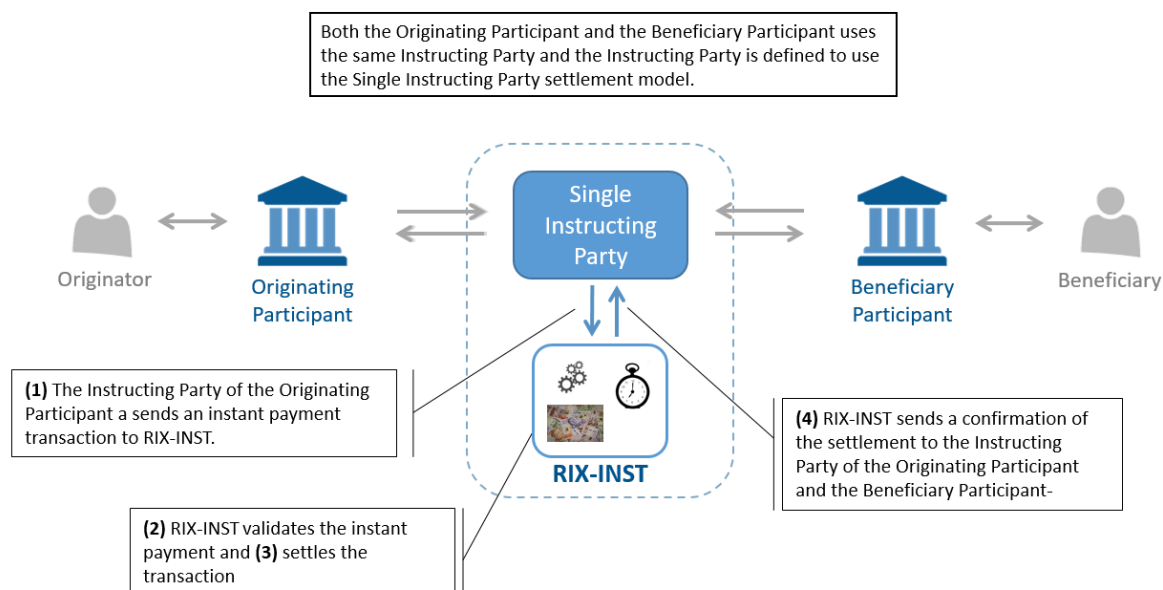
Illustration 1: Standard Settlement Model
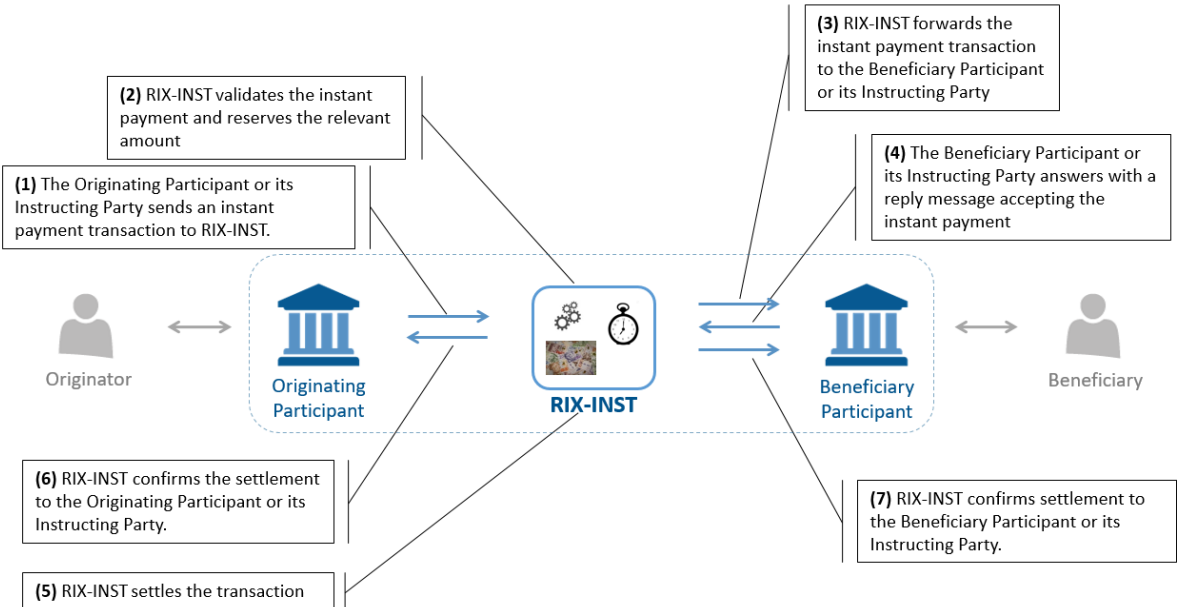
Source: The Eurosystem and the Riksbank

If the SIP Model is being used, the transaction is settled immediately after the Payment Instruction has been validated according to the earlier steps. Confirmation of the Payment Transaction is sent to both the Originating Participant and the Beneficiary Participant via the Instructing Party for both parties.

Illustration 2: Single Instructing Party Settlement Model

Both the Originating Participant and the Beneficiary Participant uses the same Instructing Party and the Instructing Party is defined to use the Single Instructing Party settlement model.

(1) The Instructing Party of the Originating Participant a sends an instant payment transaction to RIX-INST.

(2) RIX-INST validates the instant payment and **(3)** settles the transaction

(4) RIX-INST sends a confirmation of the settlement to the Instructing Party of the Originating Participant and the Beneficiary Participant-

Source: The Eurosystem and the Riksbank

2.9   Notifications, reports and queries

A RIX-INST Participant or its Instructing Party automatically receives notifications about settled Payments. The Originator of Payment Instructions receives notifications about rejected messages.

In addition to automatically received notifications, a RIX-INST Participant can also subscribe to certain other notifications. A RIX-INST Participant can also subscribe to two different reports, Statement of Account Turnover and Statement of Account.

In RIX-INST Online and RIX-INST CRDM, there are different query options. For a RIX-INST Participant that is a participant in RIX-RTGS, there is also the option of making queries about balances on Settlement Accounts in RIX-INST from RIX-RTGS Online.

2.10   Support and incident management

The Riksbank provides a support function, RIX Helpdesk for the RIX Settlement System, that handles support cases for both RIX-RTGS and RIX-INST. The support function is available to RIX Participants during the opening hours of the respective Settlement Service. For the RIX-INST Settlement Service, the support function is therefore available 24/7/365. RIX-INST Participants can contact the support function regarding incidents or other urgent support issues around the clock. In case of an incident or other urgent support issues first contact must be made by phone. Non-urgent support issues regarding RIX-INST are only handled during the daytime (from 06.30 to 18.30) on Business Days. RIX Helpdesk can be reached on 08-787 05 99 or at rix@riksbank.se.

Annex

Annex 1 – Concepts and definitions

Concept	Definition
Accession Agreement	Agreement on participation in *RIX*, which makes the *Terms and Conditions* applicable.
Ad-hoc Liquidity Transfers	A *Liquidity Transfer* done without having been registered in advance as a *Standing Liquidity Transfer*.
Authorised Account User	Party that can use a *Settlement Account* or a *Credit Memorandum Balance* as payer or beneficiary of *Payments*. Each *Authorised Account User* is identified by a unique BIC11, and can only be authorised for a single *Settlement Account* or *Credit Memorandum Balance*. For a *Settlement Account*, there can be several *Authorised Account Users* while for a *Credit Memorandum Balance*, there can only be one *Authorised Account User*.
BIC	A code that identifies a financial institution or similar, Business Identifier Code. Can be 8 or 11 digits.
BIC8	An 8-digit *BIC*
BIC11	An 11-digit *BIC*
Beneficiary Participant	A *RIX-INST Participant* that receives a *Payment* in *RIX-INST* and whose account in RIX-INST is intended to be credited.
Business Day	A day that is not a Saturday, Sunday or public holiday in Sweden, or Midsummer's Eve, Christmas Eve or New Year's Eve.
Ceiling Amount	An amount that can result in a notification if the balance on a *Settlement Account* in *RIX-INST*, or the *Headroom* for a *CMB* in *RIX-INST* exceeds it.
CMB	See *Credit Memorandum Balance.*
CRDM GUI	User interface for RIX-INST CRDM
Credit Memorandum Balance	An accounting function for a Settlement Account in *RIX-INST* provided by a *RIX-INST Participant*.
Designated Settlement System	A settlement system that has been registered at the European Securities and Markets Authority in accordance with the Swedish Act on the Settlement of Obligations on the Financial Market (1999:1309) ("The Settlement Act") and Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems ("Settlement Finality Directive").
Distinguishing Name (DN)	See *Technical Address.*
DN	Distinguishing Name. See *Technical Address.*
Eurosystem	The central banks in the Euro countries and the European Central Bank (ECB)
Instant Payment	A *Payment* settled instantly normally between two different financial institutions.

Concept	Definition
Instructing Party	An agent for an *Originating Participant* and/or a *Beneficiary Participant*. The Instructing Party has no relationship with the Riksbank and the commissioning Participant is fully responsible for the Instructing Party's actions.
Intraday Credit	Credit against collateral during a *Value Date*. Exists only in *RIX-RTGS*.
Investigation	The *Originating Participant* can request a status update of a previously sent *Instant Payment*.
ISO	International Organization for Standardization
Limit	The amount of liquidity on the *Settlement Account* in *RIX-INST* over and above the net of *Payments* to and *Payments* from the *CMB* to which the *CMB* has access.
Liquidity Transfer	A transfer of liquidity between a *Settlement Account* in *RIX-RTGS* and a *Settlement Account* in *RIX-INST*.
Loan Account	An account in *RIX-RTGS* where credit is booked.
NCT Inst	NPC Instant Credit Transfer, a payment regulatory framework established by *NPC*.
Net Balance in RIX	A balance which corresponds to the sum of both the balances on a *RIX Participant's Settlement Account* and *Loan Account* in *RIX-RTGS* and the balances on all the *RIX Participant's Settlement Accounts* in *RIX-INST*.
Network Service Provider (NSP)	A provider of network services used to communicate with RIX-INST
NPC	Nordic Payments Council, a payment council founded by the bankers' associations in Denmark, Finland and Sweden.
Originating Participant	A *RIX-INST Participant* that initiates a *Payment* in *RIX-INST* and whose account in *RIX-INST* is intended to be debited.
Participant	An institution that has conclude an Accession Agreement concerning participation in RIX.
Payment	A *Payment Instruction* or *Payment Transaction*.
Payment Instruction	An instruction to *RIX-INST* to settle a *Payment*, but where the *Payment Instruction* has not yet been assessed for validation.
Payment Request	A forwarding of a *Payment Transaction* to the *Beneficiary Participant* or its *Instructing Party* carried out by *RIX-INST* after the payment amount has been reserved on the *Originating Participant's Settlement Account*.
Payment Transaction	A *Payment Instruction* to *RIX-INST* where validation has begun.
Reachable Party	An Authorised Account User whose identifier (BIC11) can be used when settling a *Payment* on a RIX-INST Participant's account. If the Reachable Party is not the same legal entity as the *RIX-INST Participant*, the Reachable Party has no relationship with the Riksbank.
Recall	Recall of a previously settled *Instant Payment.*
RIX	The Riksbank's *Designated Settlement System* that provides the *RIX-RTGS* and *RIX-INST Settlement Services* where settlement takes place between accounts at the Riksbank.

Concept	Definition
RIX-INST	*RIX Settlement Service* for *Instant Payments*.
RIX-INST CRDM	Application for handling reference data used in RIX-INST. Available via the CRDM GUI user interface.
RIX-INST Online	User interface for access to certain information concerning RIX-INST.
RIX-INST Participant	An *Participant* in *RIX* certified for participation in *RIX-INST*.
RIX-INST Settlement Account	The account in the *RIX-INST Settlement Service* on which settlement (debiting and crediting) takes place.
RIX Participant	An institution that has concluded an Accession Agreement concerning participation in *RIX*.
RIX-RTGS	*RIX Settlement Service* for high value payments.
RIX-RTGS Agent	A *Participant* in *RIX* certified for participation in the RIX-RTGS *Settlement Service*, and who has consented to the *Participant's Main Account* in *RIX-RTGS* being charged for interest or fees that refer to a *Participant* in *RIX* certified for participation in *RIX-INST* but not in *RIX-RTGS*. The latter *Participant* can use RIX-RTGS Agent for liquidity transfers to or from its accounts in *RIX-INST*.
RIX-RTGS Online	User interface, with regard to RIX-INST, for access to certain information concerning RIX-RTGS and for registration of *Standing Liquidity Transfers* and *Ad-hoc Liquidity Transfers* to e.g. RIX-INST.
RIX-RTGS Settlement Account	The account in the *RIX-RTGS Settlement Service* on which settlement (debiting and crediting) takes place.
Settlement Service	A service that enables final settlement of Payments (transfers) between *Participants* in the *Settlement Service*.
Single Instructing Party (SIP)	An *Instructing Party* that is common for both the *Originating Participant* and the *Beneficiary Participant*, often for all parties in a specific payment flow.
Single Instructing Party Settlement Model	A settlement model by means of which a *Payment* is settled in *RIX-INST* without reservation and *Payment Query* to and subsequent confirmation from the *Beneficiary Participant*. A condition is that both the *Originating Participant* and the *Beneficiary Participant* have a *Single Instructing Party* and that this has been registered in *RIX-INST* with such authorisation.
SIP Model	See *Single Instructing Party Settlement Model.*
Standard Settlement Model	A settlement model according to which funds are first reserved on the *Originating Participant's* account in *RIX-INST* and the *Beneficiary Participant* confirms the *Payment* after having received a *Payment Request* and before it is settled in *RIX-INST*.
Standing Liquidity Transfer	A recurring Liquidity Transfer that takes place at a specific time or event (normally) each day.
Technical Address	An address that is distinguishing and is used when sending and receiving messages, etc. Also referred to as Distinguishing Name (DN)

Concept	Definition
Terms and Conditions	Terms and Conditions for RIX and Monetary Policy Instruments. The regulatory framework that applies to participation in *RIX*.
TIPS	TARGET Instant Payment Settlement, a *Settlement Service* for *Instant Payments* in Euro provided by the *Eurosystem*
Value Date	The date on which, from an interest point of view, a transaction is regarded to have been settled in *RIX*. The Value Date does not necessarily correspond to the calendar day on which the settlement takes place. Only *Business Days* can be Value Dates.