MEMORANDUM

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# Outcome of negotiations ahead of joining the T2 platform

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# 1. Summary conclusions

In this memorandum, the Riksbank presents the outcome of the negotiations with the Eurosystem regarding the use of the T2 platform.[1] The Riksbank has analysed the conditions for joining T2 on the basis of the conditions set out by the Executive Board in its 2024 decision to negotiate a contract.[2] The overall assessment is that these conditions have been met and that the Riksbank can therefore enter into an agreement with the Eurosystem regarding a transition to T2.

Following negotiations, provisions have been added to the agreement which restrict how the Eurosystem may process confidential information. The information shall be processed solely on behalf of the Riksbank and for the purposes of technical processing or storage. The Riksbank therefore considers that the sharing of information is consistent with the Public Access to Information and Secrecy Act (2009:400) (OSL). Personal data will also be processed in T2, for example, details contained in payment messages and information about employees. The Riksbank considers that there is a legal basis for the processing and that the agreement complies with data protection regulations.

To ensure it has a say in the governance of T2, the Riksbank has negotiated a stronger role in the Eurosystem's decision-making processes. Although Sweden is not a euro-area country, the Riksbank has been granted permanent membership of the Market Infrastructure Board (MIB) and the opportunity to participate as an observer in the Market Infrastructure and Payments Committee (MIPC), which are bodies within the European Central Bank (ECB) responsible for preparing matters relating to T2. Furthermore, the preamble to the T2 Agreement states that central banks participating in T2 with a currency other than the euro may request discussions with the Eurosystem when the Governing Council of the ECB considers matters of importance to their participation in T2.

Protective security has also been a key issue in this work. Swedish law requires the Riksbank to carry out protective security assessments and review the supplier's information security, physical security and personnel security prior to the transition to T2. For the connection to be possible from a protective security perspective, there must be a national continuity solution under Swedish control, particularly in the event of prolonged outages, crises or states of heightened alert. The Riksbank has also drawn up a special protective security agreement with the

[1] In the following text, the term 'T2' is used to refer to the 'T2 platform'.

[2] Decision to enter into contract negotiations regarding the T2 platform (ref. no. 2024-00787).

central banks of the Eurosystem to ensure that T2 meets Swedish protective security requirements.[3]

In addition, the Riksbank has ensured that the Swedish National Audit Office will still be able to audit its operations even after the transition to T2. A specific provision in the agreement makes it clear that the Audit Office's right to audit is not restricted.

Provisions have also been added to the agreement regarding the ECB's cost recovery in connection with the Riksbank's participation in T2.

Finally, the Riksbank has carried out a comprehensive feasibility study in collaboration with the ECB and the central banks operating T2. The analysis shows that it is possible to migrate RIX-RTGS to T2, but that certain technical adaptations and the development of support systems, as well as a national continuity solution, are required. These issues are to be addressed within the framework of the TARGET SEK programme, which was launched in 2026.

The agreement is scheduled to be signed in October 2026, and the transition to T2 itself is expected to be completed around 2030.

## 2. Background

The issue of migrating to T2 has been under discussion at the Riksbank for some time.[4] In September 2021, the Executive Board of the Riksbank took a policy decision to use the Eurosystem's T2 platform for payment settlement.[5] In 2023, the Riksbank decided to sign a letter of intent with the ECB to investigate the conditions for using the T2 and T2S platforms.[6] The Riksbank therefore carried out an in-depth analysis, which was completed in 2024.[7] This led to a recommendation to enter into negotiations with the Eurosystem regarding the use of T2 to provide the Riksbank's settlement service for large-value payments in Swedish kronor, RIX-RTGS. The main reason for the recommendation was that the Riksbank was deemed capable in the long term of ensuring a robust, stable and efficient payment system in the long term by migrating to T2 and using the

[3] The Eurosystem comprises the ECB and the national central banks of the countries that have adopted the single currency, the euro.

[4] For further information on T2, please refer to the background documentation prepared in the run-up to the 2021 policy decision and the 2024 decision to commence contract negotiations. See Decision to negotiate a contract for the T2 platform (ref. no. 2024-00787) and Future RIX – the Riksbank's payment settlement system (ref. no. 2020-01254).

[5] Future RIX – the Riksbank's payment settlement system (ref. no. 2020-01254).

[6] Ref.no. 2023-01045.

[7] In-depth analysis of the T2 platform (ref. no. 2024-00787).

Eurosystem as the provider of the application and operational services. When the Executive Board decided in June 2024 to commence contract negotiations with the Eurosystem regarding a transition to T2, it simultaneously decided to delegate to the Head of the Payments Division the task of, amongst other things,

- conducting contract negotiations with a view to safeguarding the Riksbank's interests and Swedish national legislation, particularly with regard to protective security, confidentiality, governance requirements, continuity and preparedness
- returning with proposals for an appropriate continuity solution that safeguards the Riksbank's statutory obligations, as well as the costs involved
- returning with a draft agreement for the Executive Board's decision
- returning with proposals for a decision on the organisation, budget and timetable for an implementation project. [8]

The costs of the implementation project and the business continuity solution were approved by the Executive Board on 22 April 2026.[9]

# 3. The outcome of the negotiations with the Eurosystem

## 3.1. Introduction

A national central bank in a country within the European Economic Area (EEA) may join T2 even if that country does not use the euro as its currency, provided that the central bank enters into an agreement with the Eurosystem.[10] This agreement is referred to as the *currency participation agreement* (CPA or the T2 Agreement). For the Riksbank to be able to connect to T2, such an agreement is required.[11] Like other TARGET services[12], T2 is provided by the four largest central banks in the Eurosystem: Deutsche Bundesbank, Banca d'Italia, Banque de France and Banco de España (together 4CB). However, it is all the central banks in the Eurosystem that are the Riksbank's contracting parties under the T2 agreement.

[8] Decision to negotiate a contract for the T2 platform (ref. no. 2024-00787).

[9] Investment decision to provide RIX-RTGS on the T2 platform (ref. no. 2026-00759).

[10] Article 4 of the Guideline of the European Central Bank of 5 December 2012 on a Trans-European automated real-time gross settlement express transfer system (TARGET2) (ECB/2012/27).

[11] However, this does not mean that the relationship between the participants in RIX-RTGS and the Riksbank will change. The Riksbank continues to provide a settlement service to its participants, which is governed by the terms and conditions laid down by the Riksbank.

[12] In addition to T2, the TARGET services comprise T2S for the settlement of securities transactions, TIPS for the settlement of instant payments, and ECMS for collateral management.

Following the Executive Board's decision in June 2024, the Riksbank began negotiations with the Eurosystem regarding a future connection and the national adjustments necessary for the Riksbank to be able to sign the agreement. It is a comprehensive agreement with a large number of annexes, which are standardised and bear several similarities to the agreements for the other TARGET services. However, it is possible to negotiate amendments to both the main agreement and the annexes. In a separate annex, *Schedule 9*, it is also possible to agree on specific national adaptations. Below, we report the outcome of these negotiations.

### 3.2. Public access and confidentiality

The information that must be disclosed to the Eurosystem includes information that is protected by confidentiality under Chapter 31, Section 1, first paragraph, of the Public Access to Information and Secrecy Act (OSL).[13,14] Confidentiality under this provision is absolute, which means that the information may not be disclosed unless a provision allowing for a breach of confidentiality applies.

Under Chapter 8, Section 3(2) of the OSL, information classified as confidential may be disclosed to a foreign authority or an intergovernmental organisation only if (i) the information would have been permitted to be disclosed to a Swedish authority in a comparable case, and (ii) it is clear that the disclosure is compatible with Swedish interests. With regard to point (ii), consideration should be given to the reasons previously put forward by the Executive Board, including the fact that T2 strengthens the Riksbank's ability to ensure a robust, stable and efficient payment settlement system in the long term. We therefore believe that a transition to T2 is in Sweden's interests.

With regard to point (i), the decisive factor is whether there is an applicable provision in the OSL allowing for a breach of confidentiality. The most relevant provision is Section 2a of Chapter 10 of the OSL, which enables public authorities to outsource or coordinate their IT operations. For this provision to apply, the disclosure must be made on behalf of the Riksbank and solely for the purpose of technically processing or storing the data. Nor must the disclosure of the information be inappropriate in the circumstances.

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[13] The question of the Riksbank's possibility to share confidential information with the Eurosystem in connection with T2 has been the subject of extensive legal analyses, which are described in more detail in the memorandum *T2 legal prerequisites – OSL* (ref. no. 2024-01054). This section contains a relatively brief summary of the legal framework and the solution that has been reached.

[14] The provision applies to confidentiality in, amongst other things, the Riksbank's cash operations, foreign exchange trading, lending and borrowing operations, and payment settlement, in relation to information concerning an individual's financial circumstances. The purpose of the provision is to protect personal data held by the Riksbank.

Following the Riksbank's negotiations with the Eurosystem, provisions have been included in Schedule 9 which restrict the circumstances in which the Eurosystem may process confidential information from the Riksbank. A clarifying provision has also been included in the main agreement, stipulating that Schedule 9 shall take precedence when dealing with confidential information.[15] Taken together, these provisions mean that the confidential data processed by the Eurosystem is to be regarded as being held on behalf of the Riksbank for the purposes of its technical processing or storage.

The Riksbank ultimately considers that it cannot be regarded as inappropriate to disclose the information, since

(i) they are not of such a particularly sensitive nature that their disclosure is in itself considered inappropriate
(ii) they are shared only with central banks within the Eurosystem, that is to say, parties with which the Riksbank already cooperates closely,
(iii) it is not otherwise inappropriate, from a protective security or data protection perspective, to disclose them.

The Riksbank therefore considers that it is possible to share the necessary data with the Eurosystem whilst complying with the provisions of the OSL.

### 3.3. Personal data

The information that the Riksbank will share with the Eurosystem contains personal data. The personal data relates to information contained in payment messages where one of the final customers – that is, the payee – is a natural person. In addition, there is also information about employees of the Riksbank and employees of RIX participants. The Riksbank considers that we have a legal basis for processing this personal data.[16] The provisions governing the processing of personal data in the agreement comply with applicable law.[17]

It should be noted, however, that responsibility for all processing of personal data carried out within the T2 service is shared by all central banks connected to it. The agreement contains no provisions regarding how any costs relating to financial

[15] Article 27 of the main agreement provides that confidential information may be handled for certain purposes. However, these purposes are far too broad for the Riksbank to be able to apply the provision in Chapter 10, Section 2a of the OSL that allows for a breach of confidentiality. Against this background, it is necessary to restrict the application of Article 27 in relation to information covered by confidentiality.

[16] See Article 6 of Regulation (EU) 2016/679 of the European Parliament and of the Council (GDPR), which permits the processing and collection of personal data where this is necessary for the performance of a task carried out in the public interest.

[17] See Article 28 of the T2 Agreement, which stipulates an obligation for all parties to process personal data in accordance with the EU: s General Data Protection Regulation (GDPR). The Regulation is applicable in all jurisdictions participating in T2.

penalties or claims for damages are to be apportioned. Where there are several parties liable for compensation in respect of a loss, they are jointly and severally liable for it; in this context, this means that each of the participating central banks may be required to pay the full amount of compensation. The party making the payment may then claim the respective shares of the compensation from the other liable parties. The T2 Agreement also contains specific provisions on limitation of liability and recourse.

The Riksbank intends to propose a clarification of the various central banks' responsibilities in forthcoming updates to the T2 Agreement and to work towards a clearer description of those responsibilities.

### 3.4. Governance and influence

The Riksbank's ability to continue its operations using T2 is linked to the way in which the governance structure for the TARGET services is designed. As Sweden is a non-euro area country, the Riksbank does not participate in the Governing Council of the ECB, which is the highest decision-making body for TARGET services. At the same time, important strategic decisions are being prepared by the Market Infrastructure Board (MIB) and the Non-Euro Currencies Steering Group (NECSG) for the respective platforms. Another forum that plays an important role in relation to the TARGET services is the Market Infrastructure and Payments Committee (MIPC).

The mandate and procedures for the MIB and the MIPC respectively have been updated, granting the Riksbank permanent membership of the MIB[18] and the opportunity to participate as an observer in the MIPC when the committee considers matters relating to the TARGET services that are of importance to the Riksbank. Furthermore, the preamble to the CPA has been amended and now states that central banks participating in T2 with their own currency may raise issues for discussion with the Eurosystem when the Governing Council of the ECB considers matters of importance to their participation in T2.

### 3.5. Protective security

#### 3.5.1. In general

Swedish protective security legislation[19] requires the Riksbank to be able to carry out security-sensitive activities and stipulates that a specific protective security

[18] Decision (EU) 2026/77 of the European Central Bank of 19 December 2025 amending Decision EU/2019/166 on the Market Infrastructure Board (ECB/2019/3) (ECB/2025/43)

[19] Protective security at the Riksbank is primarily governed by the Act (2019:109) on Security Protection in the Riksdag and its Authorities.

assessment and a suitability test must be carried out before the Riksbank transitions to T2.[20] In these assessments, the Riksbank shall evaluate the security value of its operations and, where necessary, check the supplier's information security, physical security and personnel security. The Riksbank has made use of the option provided for in Chapter 8, Section 11 of the Security Protection Ordinance (2021:955) to seek the advice of the Swedish Security Service regarding the specific protective security assessment and the suitability test.

### 3.5.2. The domestic continuity solution

Considering the requirements arising from the Swedish security protection legislation, the Riksbank needs to ensure that there is an appropriate continuity solution for T2. In the event of short-term disruptions to the T2 platform, the Riksbank will therefore, like the other central banks that use the platform, utilise the Eurosystem's continuity solution, Econs II.[21] In the event of prolonged disruptions, peacetime crises or a state of heightened alert, however, the Riksbank must be able to utilise its own continuity solution, over which it has full control and authority.[22] It must also be possible to use if the Riksbank moves its settlement operations away from the T2 platform.

### 3.5.3. Protective Security Agreement with the Eurosystem

As this cooperation concerns security-sensitive activities and is subject to the requirements of the Act (2019:109) on Security Protection in the Riksdag and its Authorities, the Riksbank is required to enter into a protective security agreement with the central banks of the Eurosystem (*protective security agreement*, PSA). The protective security agreement is necessary to ensure that T2 meets the Riksbank's protective security requirements and maintains a level of protection that is consistent with Swedish regulations. Such an agreement has been drawn up in collaboration with the Eurosystem.

The agreement will be signed at Level 1, which in practice entails a fundamental requirement for clearly regulated protective security measures, as well as ongoing monitoring to ensure compliance. This includes, for example, documentation requirements, an initial visit prior to commissioning, and the option of follow-up inspections.

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[20] The relevant documents are, in turn, based on the Riksbank's protective security analysis, which was approved by the Executive Board (ref. no. K-2025-00862).

[21] The Riksbank may use Econs II even if other central banks choose not to start using it at this stage.

[22] As mentioned earlier, the Riksbank has already taken a decision on the budget for the establishment of the national continuity solution.

### 3.6. Audit by the Swedish National Audit Office

The Swedish National Audit Office is responsible for auditing the activities carried out by the Riksbank.[23] Some of the activities currently carried out by the Riksbank will be undertaken by the Eurosystem following the transition to T2. To ensure that the National Audit Office will be able to continue auditing all of the Riksbank's activities even after the transition to T2, the Riksbank has included a provision in Schedule 9 clarifying that the agreement does not restrict the National Audit Office's audit remit. According to the text, the scope of the audit is to be determined by the National Audit Office alone. The Riksbank therefore considers that the transition to T2 does not restrict the Swedish National Audit Office in the performance of its statutory audit remit. This has also been checked with the National Audit Office.

### 3.7 Cost recovery

The ECB has made an amendment to the T2 agreement concerning cost recovery.[24] In short, the new agreement provision means that the Eurosystem's costs associated with the Riksbank's connection to the T2 platform are to be covered by minimum guaranteed revenue linked to RIX-RTGS volumes. A five-year timeframe shall commence from the date on which RIX-RTGS begins using the T2 platform.[25] If the Eurosystem's costs are not recovered, the Riksbank will be obliged to pay the difference. This is a new principle that will apply to all non-euro area countries joining the TARGET services in future.

The Riksbank's assessment is that the minimum level of guaranteed revenue proposed by the ECB falls well short of the fees currently paid by RIX participants. We estimate that the Eurosystem's costs will be recovered within less than a year following the start of the use of the T2 platform.

## 4. The feasibility analysis

Before a central bank connects to any of the TARGET services, it must, in accordance with the ECB's process – in parallel with the contract negotiations – assess its own capacity to migrate its settlement service. In this case, the Riksbank has assessed the transition from RIX-RTGS to T2. This is called a feasibility analysis and is carried out in close cooperation with the ECB and the 4CB. The results are documented in a summary, together with a number of annexes. There are 13

[23] Section 2(2) of the Act (2002:1022) on the Audit of Government Activities, etc.

[24] Article 24(6)–(8) of the T2 Agreement.

[25] This means that the provisions on cost recovery will apply from 2035 onwards, provided that the current timetable is adhered to.

annexes in which the Riksbank sets out the analyses carried out within our areas of activity and responsibility.

On the basis of the feasibility analysis, the Riksbank has concluded that it is possible for the Riksbank and the Swedish market to migrate RIX-RTGS to T2. However, a number of issues need to be resolved in order for the transition to be possible. Existing support systems – such as the Riksbank's system for managing collateral and credit (QCMS) and the business system with functionality for the Front Office, Middle Office and Back Office (Dimension) – has to be adapted, and new systems need to be developed, such as the national continuity solution.[26] With regard to both the national continuity solution and the Eurosystem's equivalent, the Riksbank needs to take a decision on the form of the collateral to be used within the framework of these arrangements. A decision on this matter is expected to be taken by the Head of the Payments Department in 2026.

The technical issues – including the development of the new national continuity solution – will be addressed within the framework of the TARGET SEK programme, which was launched in the spring of 2026. In the feasibility analysis, the Riksbank has also identified a need for changes to the T2 platform (a *change request*) to ensure a more efficient and secure transition to the national continuity solution.

As described above in Section 3, the Riksbank has also taken care of the legal issues.

# 5. The way forward

The draft agreement and the feasibility analysis are currently being prepared with the ECB. The preparatory work is expected to be completed by the end of September 2026 at the latest. The agreement may then be signed by the Riksbank and all the central banks in the Eurosystem in October 2026. The transition to T2 will then begin and is expected to be completed in 2030.

The Riksbank will work on the transition as part of an implementation project with a budget approved by the Executive Board in April 2026.[27]

[26] See Section 3.5.2 above.

[27] Investment decision to provide RIX-RTGS on the T2 platform (ref. no. 2026-00759).