

PRESS RELEASE

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CONTACT: Press Office, telephone +46 8 787 02 00



SVERIGES RIKSBANK
SE-103 37 Stockholm
(Brunkebergstorg 11)

Tel +46 8 787 00 00
Fax +46 8 21 05 31
registratorn@riksbank.se
www.riksbank.se

The Riksbank to join the ECB's TIPS platform

The Riksbank has today entered into an agreement on connecting a new service, RIX-INST, to the Eurosystem's TIPS payment platform. This means that payments between banks will be able to be made instantly, round-the-clock, all year round, in central bank money. As a result, the Riksbank will be able to offer banks a competitively neutral, safe and cost-effective payment system and provide scope for Swedish companies to develop new innovative payment services.

Instant payments, when bank customers move money from one bank to another in just seconds, are becoming increasingly common. Sweden is already one of the world's most advanced countries when it comes to digital payment. On average, 1.5 million such payments occur each day via the mobile Swish app.

The existing RIX system is designed for large-scale payments and has limited opening times. It needs to be adapted to a future in which payment flows move increasingly rapidly. For this reason, the Riksbank is now developing a new service for instant payments, RIX-INST, for which the ECB's platform TIPS (Target Instant Payment Settlement) will be the technical solution.

"Even in times of crisis like those we are currently experiencing, it is the Riksbank's task to ensure that Swedish payments are safe and efficient and here we are taking a major step forward to ensure that they continue to be so. As the number of small, instant payments increases, the more important it will be for our systems to be able to manage them", says Governor Stefan Ingves.

Safe and competitively neutral arrangement

The advantage of RIX-INST is that the Riksbank is responsible for payment settlement – which, put simply, is when the money is moved from one bank to another. This means that all participants can use the system safely and on equal terms and the tasks are more clearly allocated between the public and private sectors. The private sector offers payment services to its customers and payment settlement takes place at the Riksbank.

Reduces costs and creates scope for new services

The Riksbank sharing a platform with other central banks provides economies of scale and lower costs for society than if the Riksbank were to develop its own system. In addition, Swedish companies will have the opportunity to develop new payment services on a common European platform – something which will benefit the general public. RIX-INST is expected to be ready in the spring of 2022.