

DECISION

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DEPARTMENT: Payments Department
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Decision to negotiate a contract for the T2 platform

The Riksbank's decision

The Riksbank decides to negotiate a contract with the Eurosystem to make the Riksbank's settlement service for large-value payments in Swedish kronor, RIX-RTGS, available via the T2 platform.

The Executive Board delegates the Head of the Payments Department to

- complete the internal preparations needed to initiate contract negotiations,
- negotiate contracts with the task of safeguarding the Riksbank's interests and Swedish national legislation, not least with regard to security protection, confidentiality, governance requirements and continuity and preparedness,
- return with a proposal for an appropriate business contingency solution that ensures the Riksbank complies with its legal obligations, and its cost,
- return with a draft contract for decision by the Executive Board, and
- return with a proposal for a decision on the project organisation, budget and timetable for an implementation project.

This decision will be published on 18 June 2024 at 14:30.

Grounds for the decision

The Riksbank shall provide a system for the settlement of payments (Chapter 3, Article 2 of the Sveriges Riksbank Act). The Riksbank shall also have ample

capacity to continue its operations during peacetime crisis situations and heightened states of alert (chapter 5, Chapter 1 of the Sveriges Riksbank Act).

In September 2021, the Executive Board took a strategic decision on the use of the Eurosystem T2 platform for payment settlement.¹ This decision meant that briefing material shall be drawn up for a decision on whether the Riksbank shall initiate contractual negotiations with the Eurosystem. In particular, this briefing material shall take into account the application of Swedish security protection legislation and a proposed contingency solution for payment settlement in Swedish kronor on Swedish territory.

An in-depth analysis has now been carried out (see the annex to the decision, which contains a more detailed description and analysis of the T2 platform and the legal conditions that need to be met in order to be able to switch to the T2 platform, including under the security protection legislation).

The Riksbank currently provides the RIX-RTGS settlement system via its own platform with a contingency solution and engages two private companies for development, support and operation. Continuing alone would entail significant challenges for the Riksbank, as the Riksbank needs to ensure, by itself, the existence of good redundancy and stability for payments to be settled at any given time.

A transition to the T2 platform entails the Riksbank moving from a solitary position providing the settlement system via its own platform to, instead, participating in a collective set-up with a common platform. Switching to the T2 platform would make the Riksbank part of the Eurosystem's large user community, which shares responsibility for the development and operation of the platform. The T2 platform has very good redundancy from both an operational and an organisational perspective, as several central banks are jointly responsible for maintaining its operations. With the Eurosystem as the supplier of the application and operations, the Riksbank will be better placed to ensure a robust, stable and efficient payment settlement system in the long term. Although the Riksbank does not sit on the Eurosystem's highest decision-making body, the Governing Council, the Executive Board's assessment is that the Riksbank will be given sufficient insight and opportunity to influence the T2 platform. A risk assessment has been carried out in accordance with the Rule for managing substantial changes.

The overall assessment is, therefore, that the Riksbank should negotiate with the Eurosystem for a contract to use the T2 platform.

¹ The future of RIX – The Riksbank's system for the settlement of payments (ref. no. 2020-01254).

The use of the T2 platform requires an appropriate business contingency solution that is fully controlled by the Riksbank. The details and costs of the contingency solution, therefore, need to be analysed urgently.

The Riksbank assesses that a transition to the T2 platform will entail costs for RIX participants. However, the Riksbank's aim is for it to become cheaper and safer for RIX participants in the long run and for the Swedish market to, thereby, gain economies of scale in terms of costs.

Contract negotiations should start in 2024. The Executive Board delegates to the Head of the Payments Department the task of carrying out internal preparations for the launch of contractual negotiations and thereafter negotiating contracts with the Eurosystem. In these contract negotiations, the Riksbank's interests and Swedish national legislation must be taken into account, not least with regard to security protection, confidentiality, governance and continuity and preparedness (see also the annex to the decision).

Consequently, in 2024, the necessary preparations should be started to enable the launch of an implementation project in 2025. The Head of the Payments Department shall return to the Executive Board with a proposal for a decision on the project organisation, budget and timetable for an implementation project. The Riksbank will also consult the RIX participants in the work of drawing up a timetable for the transition.

The Head of the Payments Department shall report regularly on the progress of the contract negotiations and return with a draft contract for decision by the Executive Board.

The decision has been taken by the Executive Board (Governor Erik Thedéen, First Deputy Governor Anna Breman and Deputy Governors Per Jansson, Aino Bunge and Anna Seim) following a presentation by project leader Maria Ely Hesselmar and senior advisor Jan Schüllerqvist. Head of Department Christina Wejshammar participated in the final processing of the matter.