



Liquidity levels and delays in RIX

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Efficiency problems in the use of RIX



- Study in Sveriges Riksbanks Financial Stability Report 2003-2 (Björn Segendorff and Johan Pettersson)
- RIX
 - Swedish Large Value Payment system
 - Introduced 1990
 - RTGS
 - Liquidity queuing facility
 - Settlement in central bank money
 - Intraday liquidity provided against collateral

Financial stability department - Infrastructure division

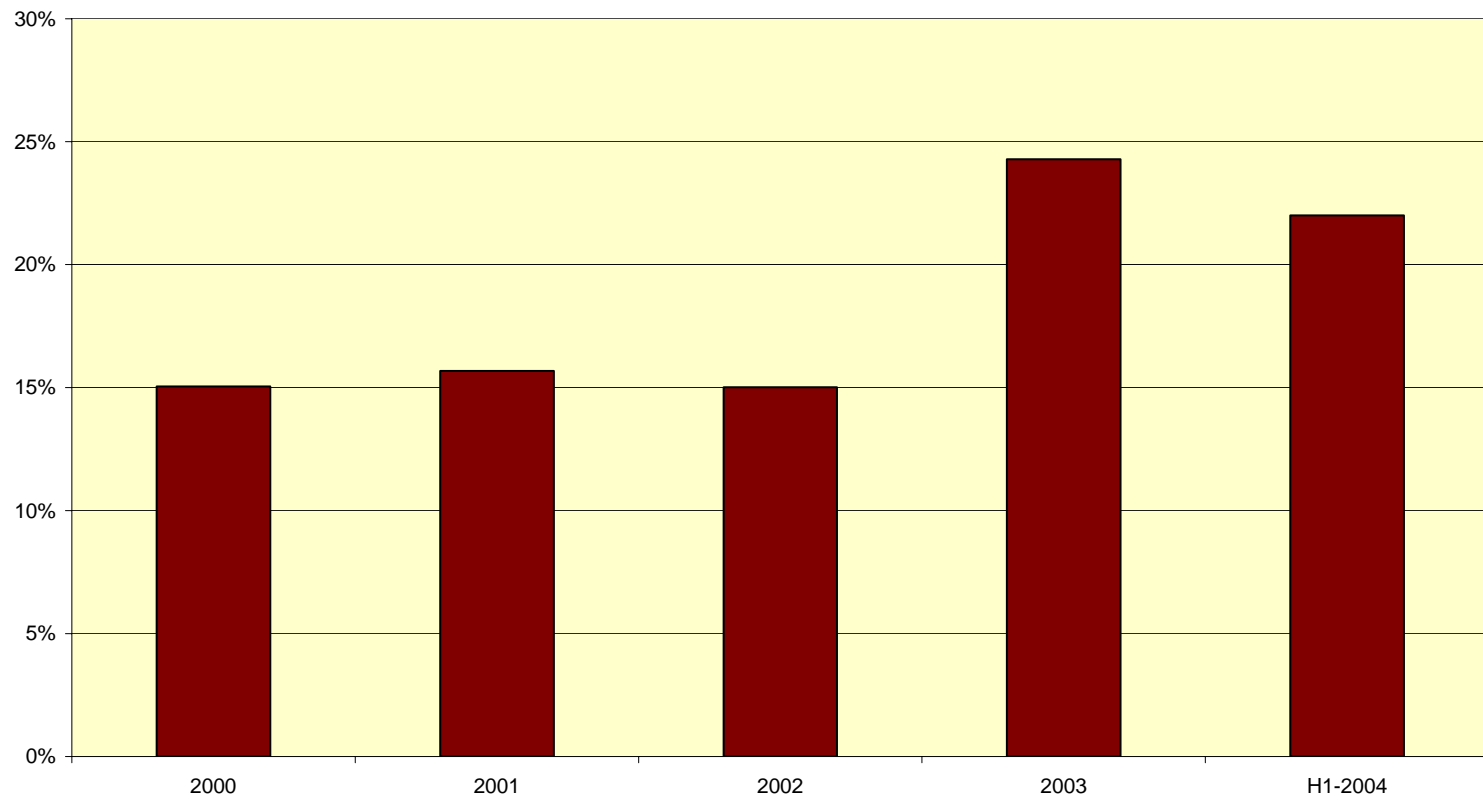


Oversight of large value payment systems:

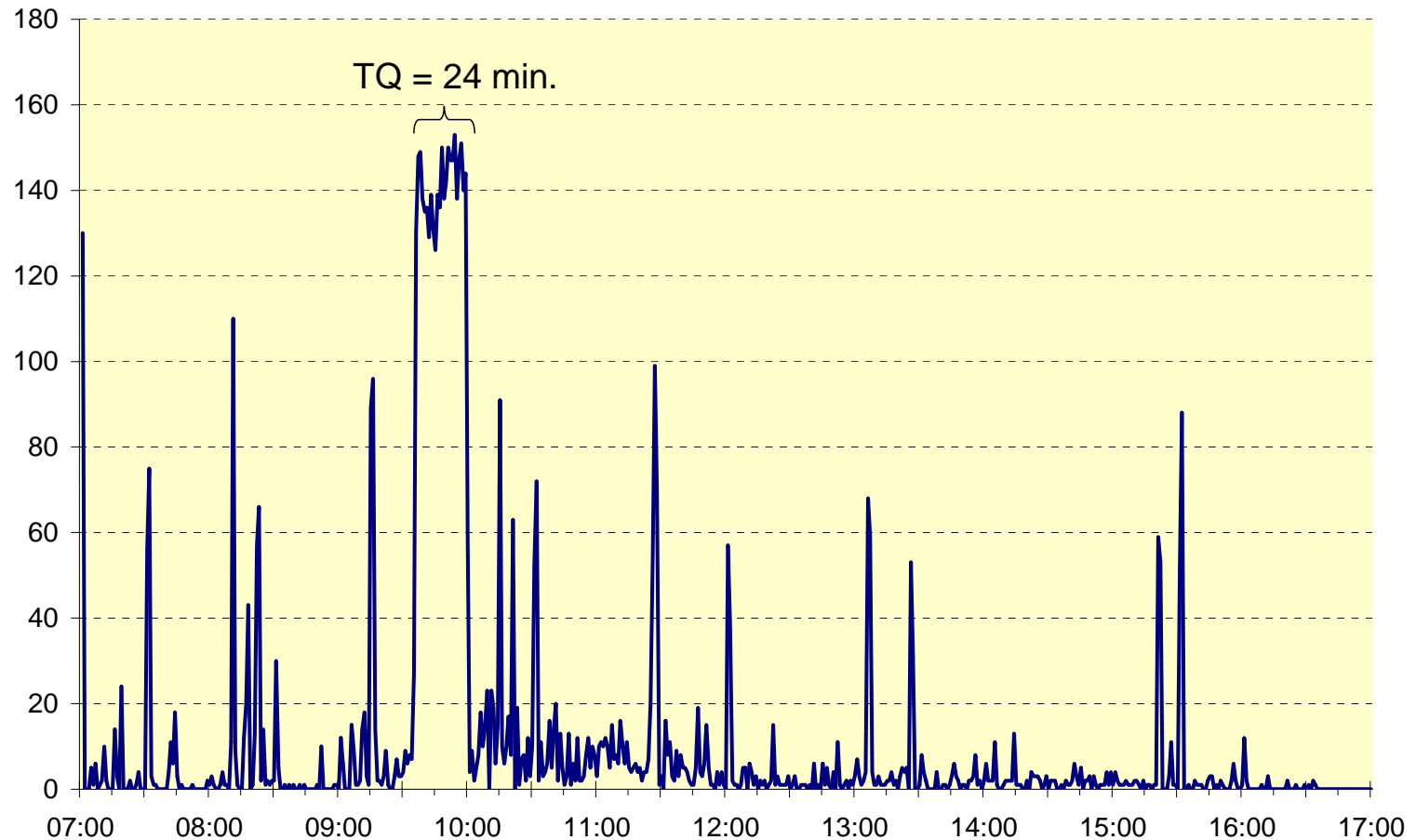
- Safety
- Security
- Efficiency
- Consumer protection
- Misuse

Liquidity ratio as indication of inefficiencies

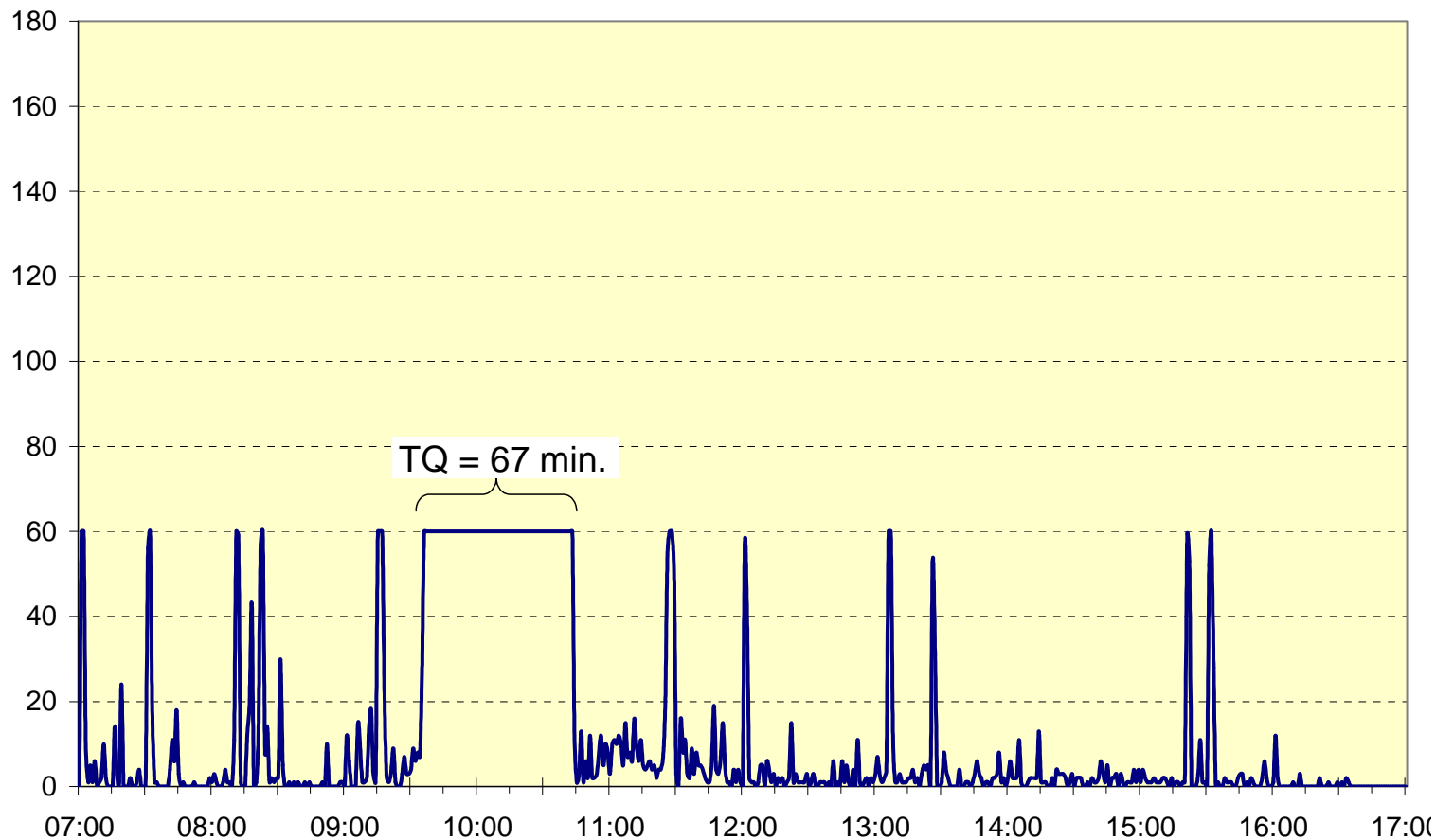
Liquidity ratio



Transaction flow and technical delays in RIX



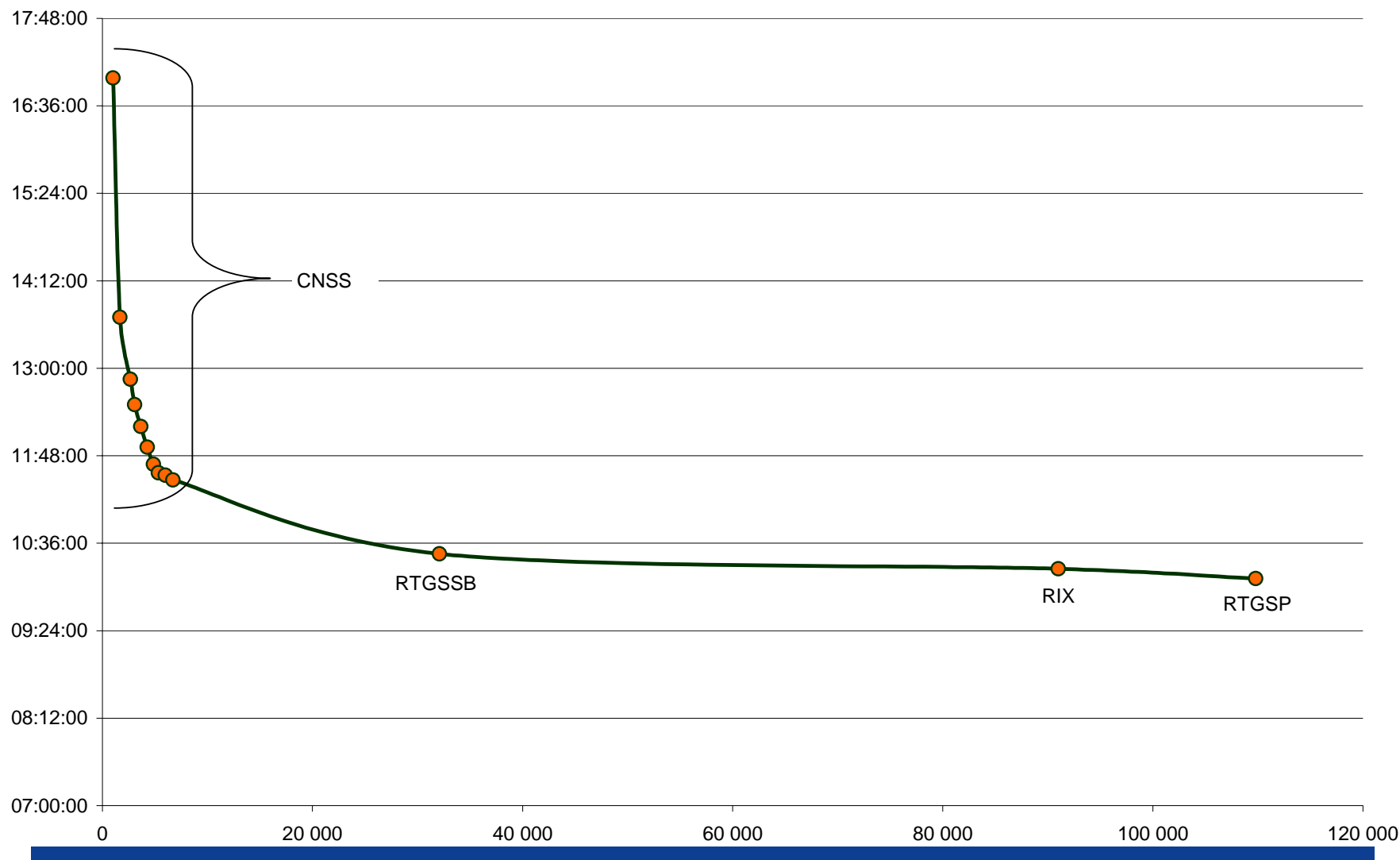
Potential transaction flow and technical delays after the introduction of SWIFTNET



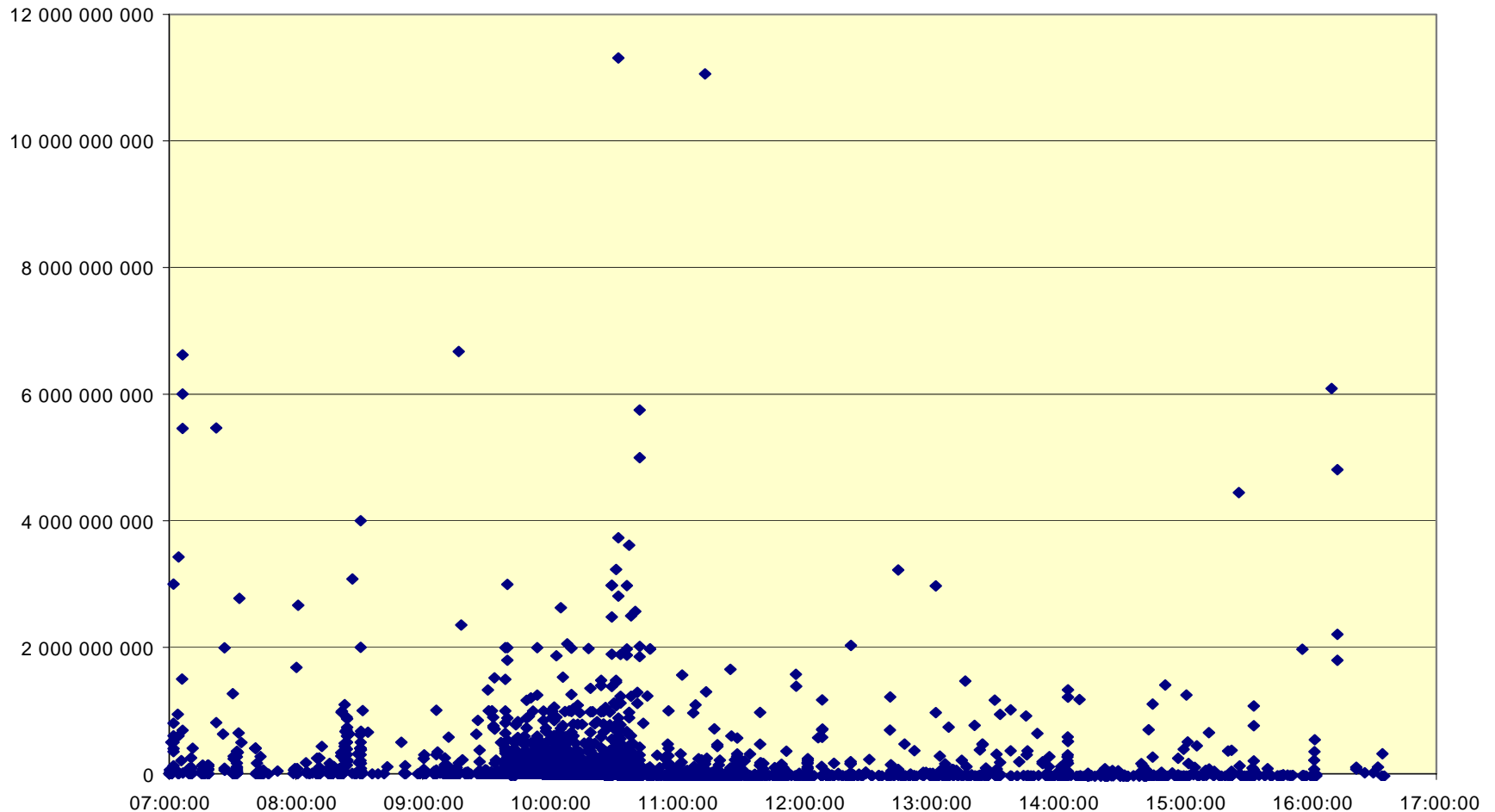
Simulations

- Real time settlement
 1. RTGSP: Unlimited credit
 2. RTGSSB: Individual credit equal to largest payment.
 - Continuous net settlement
 1. CNS 1-10: Credit varying from 100-1000 million kronor in 100 million steps
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Simulation results



RIX payment pattern



Conclusions

- Introduction of an offsetting mechanism in RIX could save large sums of liquidity
 - An offsetting mechanism could potentially release capacity for RTGS payments and take away the technical queues.
 - Estimated potential cost savings, due to lower need of liquidity, 220 million SEK.
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