

Press release

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Iceland joins TIPS for instant payments

- Icelandic króna will be fifth currency available for settling instant payments through TARGET services
- ECB and Seðlabanki Íslands agreement will take effect as of 2028

The European Central Bank (ECB) and Seðlabanki Íslands today signed an agreement for Iceland to join the Eurosystem's TARGET Instant Payment Settlement ([TIPS](#)) system. This will allow payments in Icelandic króna to be settled instantly in central bank money as of 2028.

The Icelandic króna will be the fifth currency available for settling retail payments instantly using the Eurosystem's TARGET Services. The euro, Swedish krona and Danish krone are already available for settling payments in TIPS, while the Norwegian krone is scheduled to join in 2028.

“We are delighted that more and more European countries, including from outside the European Union, are joining the Eurosystem's TARGET Services,” said ECB President Christine Lagarde after signing the agreement. “This reinforces the integration of Europe's financial infrastructures, supports its strategic autonomy, brings economies of scale and strengthens economic relations.”

“This is an important step in modernising Iceland's payments landscape and ensuring it is fit for the future,” said Seðlabanki Íslands's Governor Ásgeir Jónsson. “Joining TIPS will strengthen both the security and efficiency of instant payments in Iceland. It will enhance the resilience of our payment infrastructure and bring our payment processes into line with SEPA practices, while enabling Iceland to benefit from the scale and expertise of the Eurosystem's TARGET Services.”

TARGET Services are developed and operated by the Eurosystem and rely on central bank money to facilitate transfers between banks, businesses and individuals. All TARGET Services are designed to be able to host transactions in currencies other than the euro.

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TIPS is the retail payment settlement system that enables banks and other payment service providers to offer their customers real-time fund transfers around the clock, every day of the year.

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