

SSP outage

**TWG meeting
Frankfurt, 23 November 2011**

Overview SSP outage

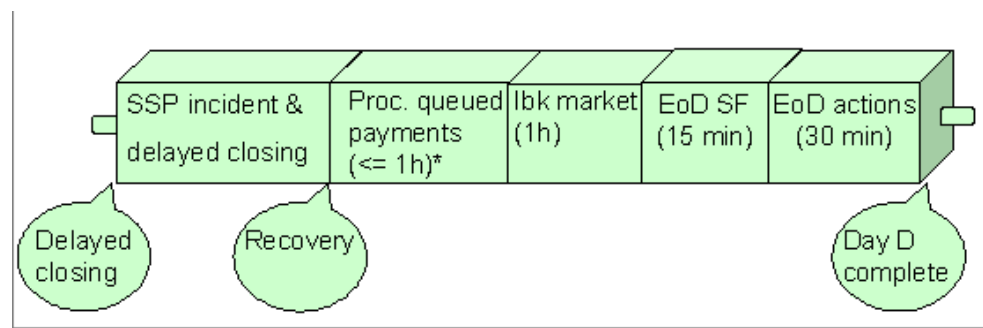
- **SSP outage is described in detail in the Information Guide for TARGET2 users V.5.0- section 6**
- **Measures:**
 - 1. Business continuity :**
 - **SSP supported by 2 regions with 2 sites each**
 - **Synchronous intra-region or asynchronous inter-region failover (rare/very rare)**
 - **No loss of data (SWIFT bulk retrieval, queued at SWIFT)**
 - **Intra-region failover RTO 1 hr, inter-region failover RTO 2 hrs**
 - **Experience : no live experience in a BC scenario but regular weekend switches of live region**
 - 2. Contingency processing :**
 - **Contingency Module (CM) supported from the non-live region**
 - **Activating the CM for urgent processing of (very) critical payments**
 - **Experience : 25 July 2011 without failover and with SSP outage of 2 hrs 58 min**
 - 3. Delayed closing :**
 - **Prolonging the day trade phase beyond 18:00**
 - 1. Due to an earlier SSP outage : allow sufficient time (max 2 hrs) for processing backlog**
 - **Experience : 30 June 2008, intraday ICM outage led to decision on delayed closing**
 - 2. Due to ongoing SSP outage : delayed closing until SSP recovery**
 - **Experience : no live experience**
 - **Delayed closing for other reasons: 6 times since TARGET2 (November 2007), always 1 hr for AS**

Principles in a delayed closing

- **T2 business day D can run into calendar day D+1**
- **Payments are settled on settlement date in field 32A (D to D+5)**
- **Until closing D, TARGET2 will aim at settling all queued payments received on D with D in field 32A**
- **D ends with final and irrevocable position before Start of Day D+1**
- **TARGET2 will not run D and D+1 simultaneously**

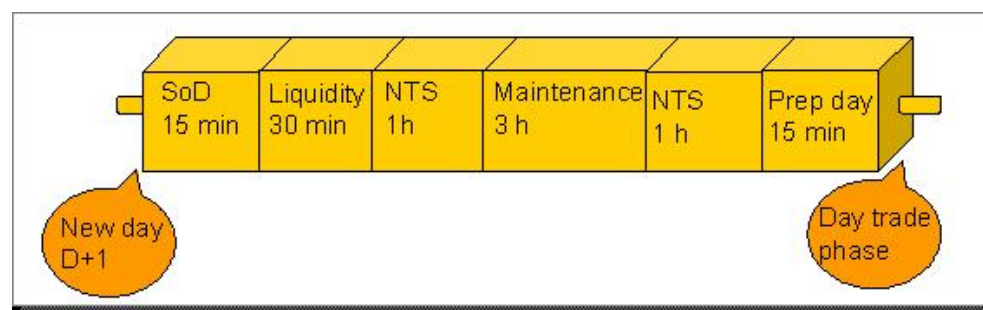
Upon SSP recovery

2 hrs 45 min



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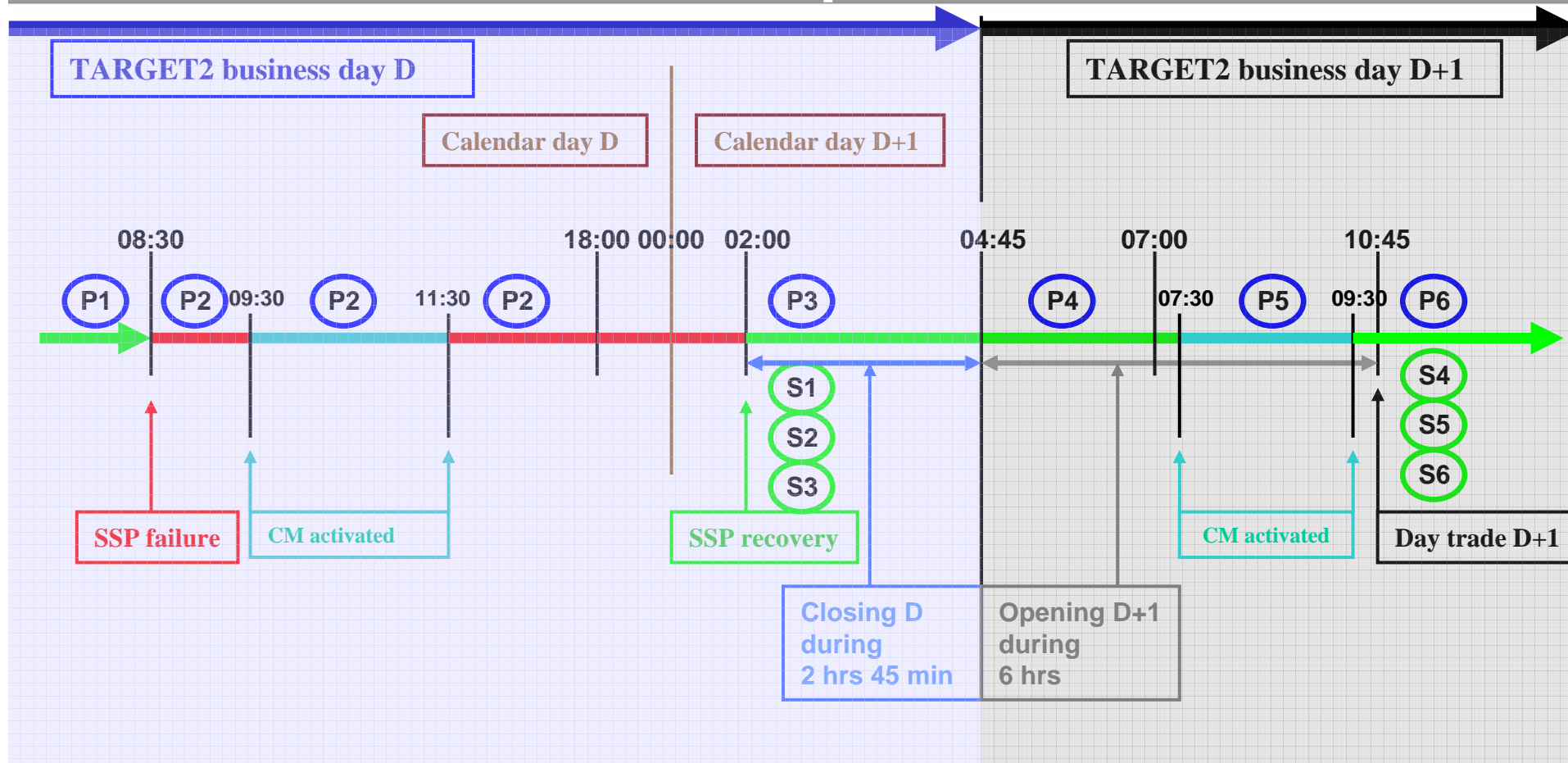
6 hrs



8 hrs 45 min

➔ SSP recovery by 22:15 latest would allow for Start day trade phase D+1 at 07:00

Example scenario of a prolonged SSP outage - no live experience -



- P_i Payment sent by participant
- S_i Payment settled in TARGET2

Comments received from TWG

- “Most banks will block outgoing payments until SSP recovery” → OK for T2
- “SWIFT queues sent payments” : could create internal/technical liquidity shortage → if so, bank should stop sending. For T2, banks can continue sending.
- “Not able to send payments after 00:00 with D in 32A (system date overrules T2 business day)” → system date would fill 32A with D+I → T2 warehouses till D+I
- “Some banks not able to receive payments after 00:00 with D in 32A (system date overrules T2 business day)” → manual repair queue to set payment to D or automatically processed with D+I

T2 operator conclusions:

- SSP recovery only on calendar D+I can create value date issues at T2 participants. TARGET2 compensation scheme does not apply if T2 settles the payment on the same T2 business day as the date in 32A.
- Prolonged SSP outage into calendar D+I is very unlikely