



EUROPEAN CENTRAL BANK

EUROSYSTEM

Crisis Communication Group (CCG)

AMI-SeCo meeting

13 July 2022

DG-MIP/MIM



1. Background



- As part of the lessons learnt from the incidents that affected the TARGET Services in 2020, the MIB considered in February 2021 the possibility to create a group of key participants, which **could be called upon in case of major outages**
- This idea was presented to AMI-Pay and AMI-SeCo members on 22 February 2021, as part of the improvements to the TARGET Services crisis communication protocols:
 - ✓ While the feedback from the market participants was positive, no firm conclusion was reached at that time as it was felt preferable to await the outcome of Deloitte's external review, which was still ongoing
- Following Deloitte's outcome, the MIB agreed in September 2021 to establish a **TARGET Crisis Communication Group (TC2) for TARGET2/T2** and invited the CSG to consider the possibility to establish a similar *forum* for T2S

2. Main objective of the group



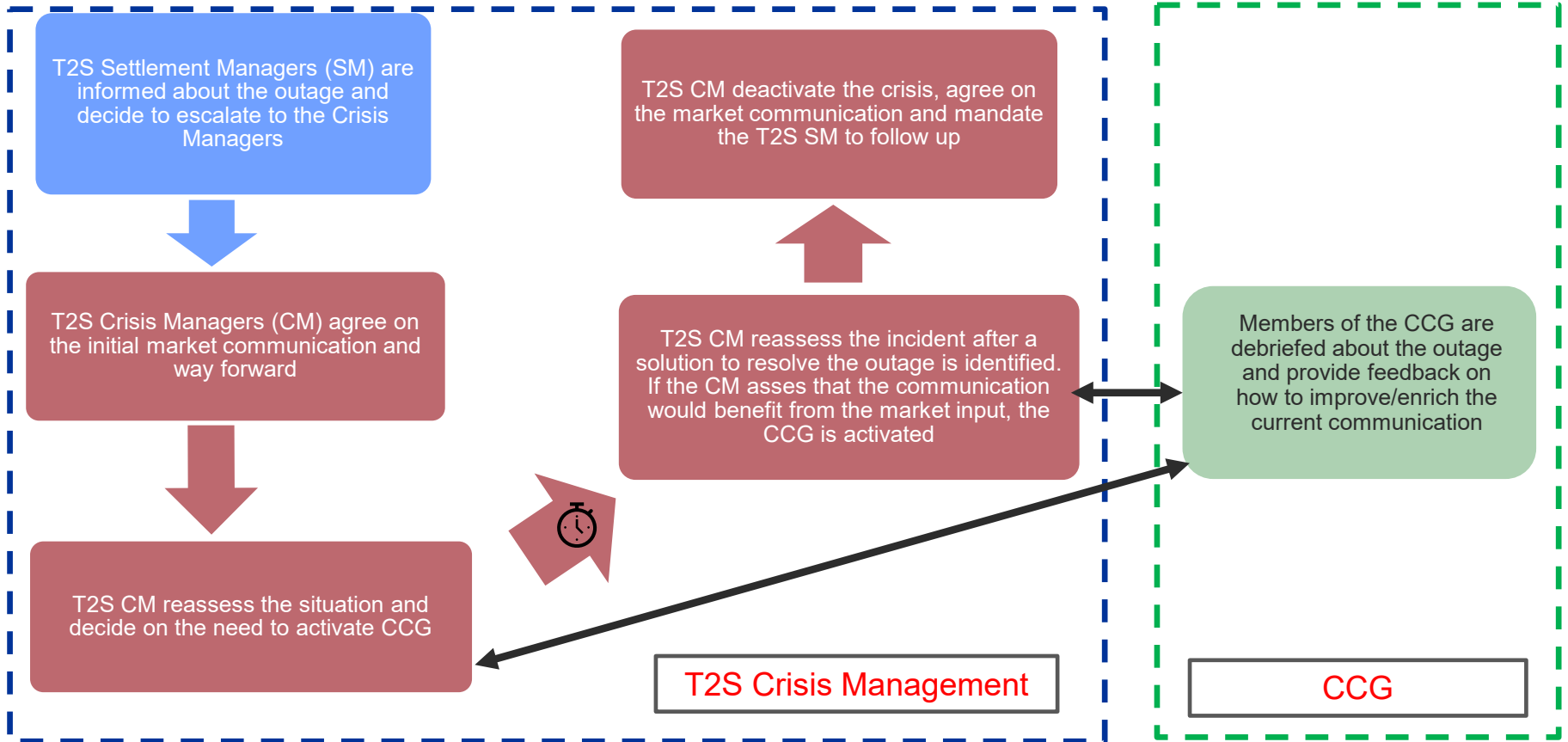
- The experience gathered from the TARGET Services incidents in 2020 confirms that the Eurosystem **communication in times of crisis shall not be only one-way**:
 - ✓ It is important for **crisis managers to receive feedback from market participants** on whether the communication has been sufficiently clear and to adequately address their most urgent questions
 - ✓ Market participants indicated that they were **lacking some important information in the communication**
- A separate crisis communication groups for TARGET2/T2 and T2S would allow for **flexibility when managing service specific incidents** (i.e. involving only the users of the impacted service) and give the **possibility to have joint calls** between the two groups in case of incidents impacting both services

3. Key principles



1. The **CCG shall not have any responsibility in the management of the crisis**, which remains entirely in the hands of the crisis managers
2. The call with the **CCG would be triggered upon the decision of crisis managers** (i.e. not every incident requires a CCG call!)
3. The **frequency of the CCG calls would be decided by the crisis managers**
4. CCG calls should be **short and concise**, with focus on the communication aspects
5. If specific information is disclosed to CCG members as a response to their questions, **the same information shall also be shared with the rest of the community in the next incident communication**
6. The objective of a CCG call would be to **identify gaps between already published market communication and the information needs that CCG members have**. The questions and observations from CCG members will help crisis managers to enrich the incident communication
7. The ECB Crisis Manager would chair the CCG. The **participation of other crisis managers would be possible on a no prohibition / no compulsion basis**
8. The **CCG should not replace existing groups CSDs may have** already put in place with their local community and activate in times of crisis

4. CCG activation timeline (theoretical example)



5. High level principles for the composition of the CCG



- **Size of the group:** The attendance to CCG calls shall allow holding a meaningful and structured exchange with market participants. This implies **limiting the number of market participants** to a reasonable number
- **Participation:** To avoid contention, the **criteria for selecting CCG members shall be clear and objective** (e.g. only T2S participants would be allowed to become CCG members):
 - The concept of critical participants, which is established in TARGET2, does not exist for T2S and there is a **need to rely on the nomination provided by the CSG/CSDs** (see Annex I)
- **Involvement of other stakeholders:** Depending on the nature of the crisis scenario (i.e. incidents related or impacting connectivity), **it could be beneficial to associate the NSPs** as well. The decision to involve the NSPs or not would be left to the Crisis Managers

Annex I – List of CCG members

Client name	Client type
ABN AMRO clearing Bank	Clearing Bank
BBVA	Global Custodian
BME Clearing	CCP
BNP Paribas Securities Services	Global Custodian across several T2S CSDs
BNY Mellon	International custodian
Cacéis	Global Custodian
Citi	Global Custodian across several T2S CSDs
Danske Bank (Nordic bank)	Nordic bank
Deutsche Bank	Global Custodian
DWP	National Custodian
Eurex Clearing	CCP
EuroCCP	CCP
Euronext Clearing	CCP
Goldman Sachs	International broker / dealer
HSBC	Global Custodian
Icrea	National Custodian
Intesa	National Custodian
JP Morgan	Global custodian / International broker / dealer
KBC	Custodian
LCH	CCP
Morgan Stanley	International broker / dealer
Nordea	Nordic bank
Oddo	Domestic broker
Parel	Domestic broker
SEB	Nordic sub-custodian
SGSS	Custodian across several T2S CSDs

Thank you for your attention!