



EUROPEAN CENTRAL BANK

EUROSYSTEM

Update on the implementation of the action plan related to 2020 TARGET Services incidents

Joint AMI-Pay/SeCo meeting

2 December 2022

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Scope of the external review and action plan

Deloitte launched its review on 21 December 2020

Workstream I	Change & release management
Workstream II	Business continuity management
Workstream III	Fail-over and recovery tests
Workstream IV	Communication protocols
Workstream V	Governance
Workstream VI	Data centre & IT operations

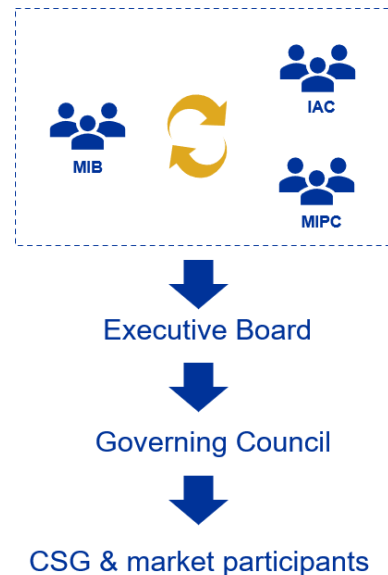


Deloitte's report published in July 2021 – Action plan approved in December 2021

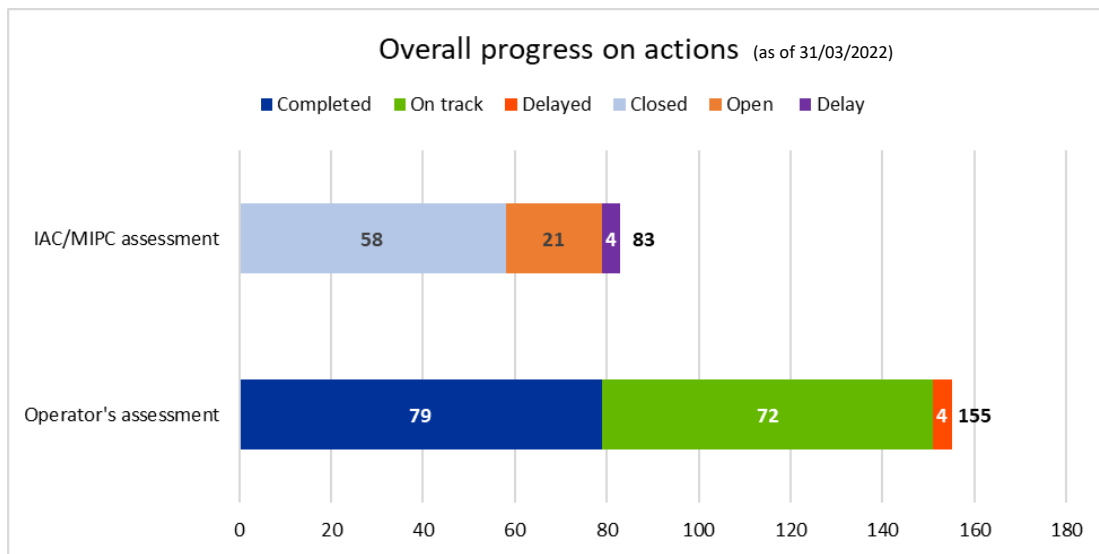
Deloitte identified 40 individual findings. The Eurosystem prepared an action plan that also included recommendations issued by the lead overseers and the Internal Audit Committee. The action plan includes 155 actions.

Monitoring of action plan

- The MIB monitors the implementation of the action plan on a monthly basis
- The Internal Audit Committee (IAC) assesses the implementation of **IAC's and Deloitte's recommendations** to ensure external and independent assessment
- The lead overseers assess the implementation of **oversight's recommendations** - same process as today
- Governing Council receives report on the implementation of the action plan every 6 months (June and December)
- First reporting to the Governing Council with **cut-off 31/03/2022**
- Second reporting with **cut-off 30/09/2022** will be submitted to the Governing Council by the end of 2022



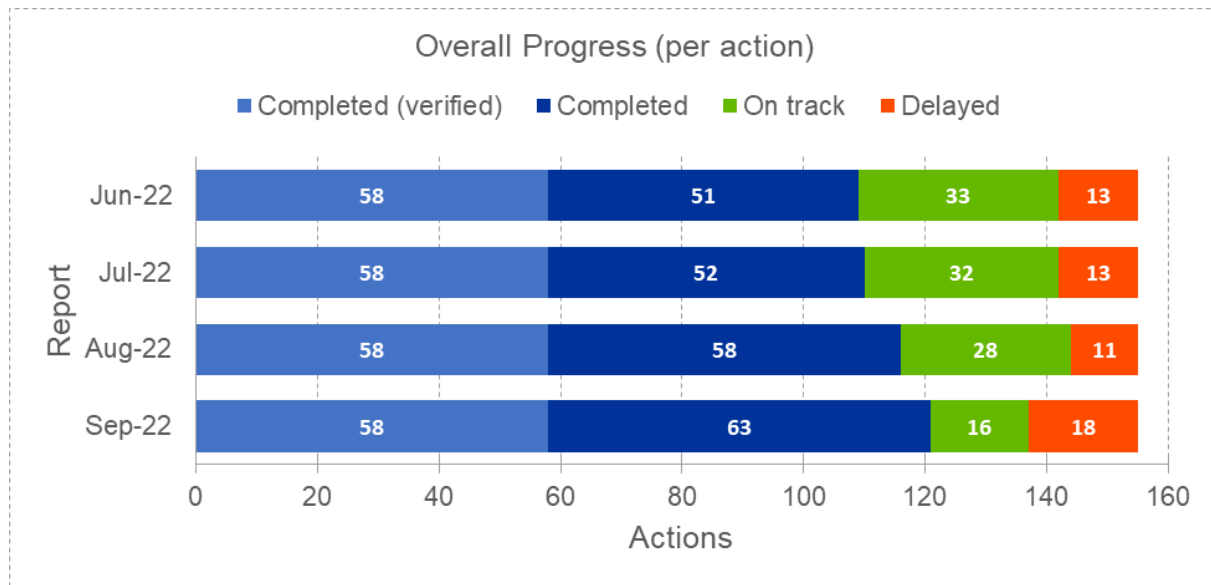
First progress report with cut-off end-March



- 79 actions (50% of total actions) addressing 47 recommendations (63% of total recommendations) were assessed by both the IAC and the lead overseers
- 58 actions were closed, thus fully closing 21 recommendations and closing partially 17 recommendations
- For 21 actions further evidence or additional enhancements were requested by the two committees
- 4 actions had encountered a slight delay

Further progress – status with cut-off end-September

- 121 actions (78% of total actions) have been completed by the MIB (58 already closed by the IAC and the lead overseers)
- 16 actions are on track as they have a future deadline
- 18 actions have been marked as delayed, most of them were postponed from Q4 2022 to Q1 2023 as they are linked to the T2-T2S Consolidation project
- Action plan planned to be fully implemented by the end of 2023



Focus on crisis communication

External communication means



Actively promoting the operational status pages & RSS feeds on the ECB Website	✓
Restructure the TARGET Services Website to have a dedicated TARGET Services operational status Communication page with harmonised status updates	✓
Preparation of a step-by-step 'User Guide' that describes how a user can subscribe to the RSS feed that will be published on the ECB Website under TARGET Services pages	✓
Each communication should include timing of next update	✓
Enhancing the ECB Website to keep the history of the communications including a timestamp (<i>updated</i>)	✓
Enhancing the MID RSS feed tool. Newsletter tool was launched (<i>updated</i>)	✓
Implementation of a contingency tool that can be used in case the primary one used to update the operational status on the ECB Website, i.e. MID, is unavailable (<i>updated</i>)	✓

Focus on crisis communication



Shortening the time to communicate on the outage

Settlement Managers (for each service) to be mandated to **publish immediately factual communications** before the Crisis Managers meet and decide on a more extended and up to date communication (*updated - implemented for TARGET2/TIPS - it was already in place for T2S*)



Aligning communication across TARGET2 and T2S

Align communication across TARGET2 and T2S by updating the existing procedures to allow the ECB TARGET2 coordinator (respectively T2S coordinator) to report on the outcome of the last crisis managers decision and on the last issued communication. The communication templates were also revised (*updated*)



Better preparing participants to extreme scenarios

For TARGET2 better **document** (e.g. procedures, runbooks) what is expected from participants under extreme scenarios like contingency activations or failover
Consider the opportunity of organising more frequent and more extensive **operational tests** with participants
Consider **regular rehearsals** of communication protocols (e.g. desktop exercises/ “war room” simulations) (*updated*)



Q1 2023 - part of T2-T2S consolidation go-live

Direct communication with the market

Set up a **group of key stakeholders**, which would be called in case of major incidents e.g. complete unavailability of the TARGET Service(s). Two groups were set-up: one for TARGET2 and one for T2S (*updated*)



