Resilience in Large Value Settlement Systems

*The point of view of a global market player*

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Leadership in large value

Resiliency guidelines are moving forward more quickly

- 1998: BIS Task Force
- 1999: BIS - Core Principles
- 2000: 9/11 - significant U.S. event
- 2001: FRB, OCC, SEC Sound Practice
- 2002: FRB PRC Best Practice Telecommunications
- 2003: ECB Business oversight - SIPS
- 2004: FRB PRC Best Practice Telecommunications
- 2005: ECB Business oversight - SIPS
- 2006: FRB PRC Best Practice Telecommunications

Resilience must provide appropriately for client/market liquidity

- Technology contingency - hardware, applications, power, telecommunications, etc.
- Operations contingency - facilities and human resources
A Resilience Map

**Liquidity View**
- Access
- Resilience

**Operations View - Processes/deployment**
- Operational resilience: Multiple, complimentary sites
- Market coverage: Siting, coverage, redundancy

**Application Interoperability**
- Applications resilience, dependencies
- Interaction with process partners (e.g. FX, Treasury, etc.)

**Telecommunications and Technology**
- Telecommunications, Hardware, Operating systems
Iterative Improvements

- Developing the resiliency management process: tools, techniques, and metrics
  - People
  - Recovery period
  - Data Center duplicity and distance
  - Partner interoperability

- Opportunities to strengthen resiliency
  - Tsunami’s, Avian Flu, etc.
  - Participation of industry partners
    - Examples in the U.S. FloridaFIRST, ChicagoFIRST

- RTGS liquidity arrangements facilitate resilience
- Global multi-site payment operations