



EUROPEAN CENTRAL BANK

EUROSYSTEM

# TARGET Services incidents in 2020 and ECB response

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ECB OMG meeting

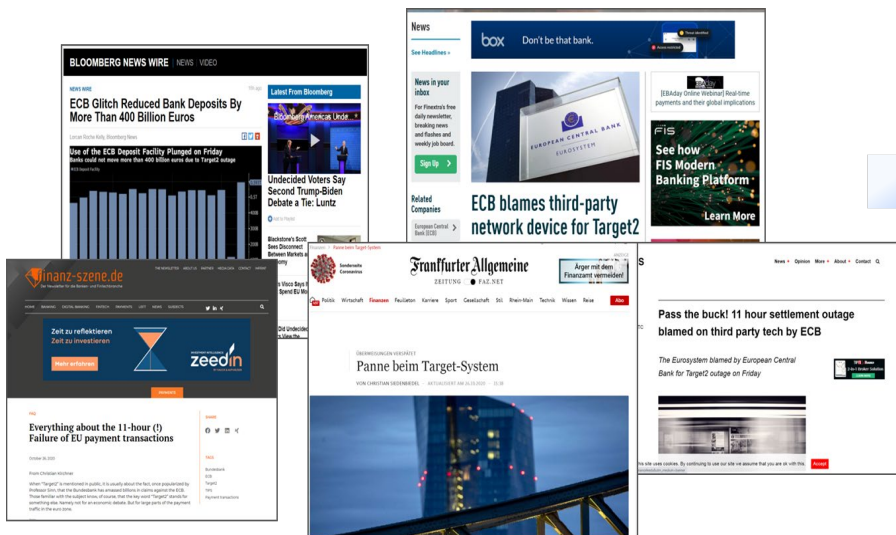
8 December 2021

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DG-Market Infrastructure & Payments



# TARGET Services incidents in 2020

16 March	TARGET2	Outage of 2 hours
25-26 May	T2S	Creation of negative positions/balances
11 August	TARGET2	Outage of 6 hours
23 October	TARGET2	Outage of 10 hours
13 November	TARGET2	No EUR liquidity transfers to T2S before night time settlement



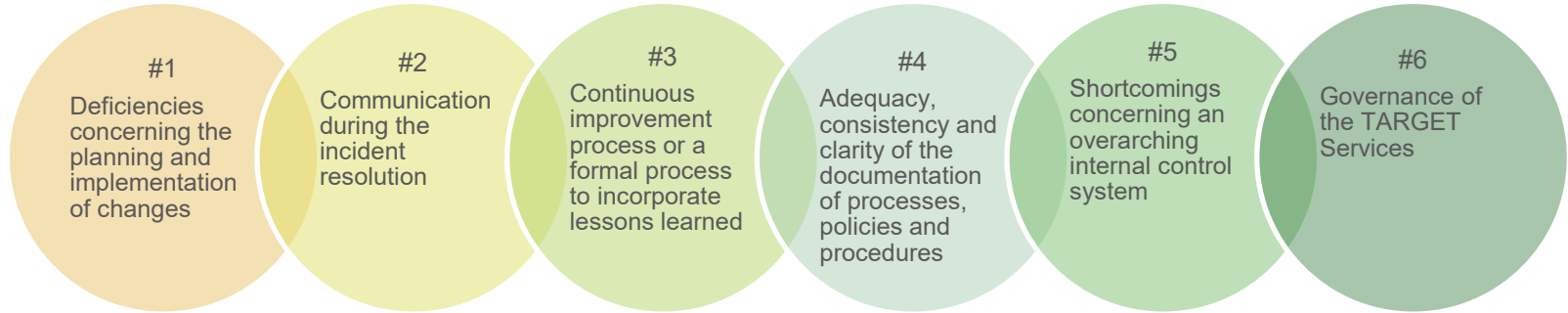
## Deloitte launched its review on 21 December 2020

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

## Final report discussed at the GovC of 28 July 2021

Deloitte identified **40 individual findings** that led them to conclude that, even though none of them was rated with severity ‘very high’, they solely or in total are likely symptoms of larger critical overarching organisational, control and/or governance issues. ***Deloitte advised that their recommendations are addressed urgently.***

## Overarching issues



## High-level Recommendations

1. Implement risk assessments within relevant processes, especially in change management and deciding criticality of processes and IT elements, in particular business impact analyses.
2. Improve relevant processes, inter alia communications with external stakeholders and continuous improvement / lessons learned.
3. Improve documentation by inter alia introducing umbrella documents for complex processes, implementing a CMDB spanning all TARGET Services' IT elements and requiring more stringent documentation of roles and responsibilities.
4. Enhance organisational and governance structures, including implementing a common 2nd LoD, responsible for implementing and running a comprehensive risk management and overarching internal control system spanning all platforms and services with appropriate staff, in terms of both quality and quantity.



28 July  
2021

- **Publication** via [Press Release](#) of Deloitte's report and Eurosystem's response accepting recommendations and indicating how and by when to address them. This allowed **open and transparent communication** so that trust in TARGET Services is re-gained.

By end  
Q4 2021

- The Eurosystem has prepared a **comprehensive action plan** to address all recommendations by Deloitte, the Eurosystem oversight function and the Internal Audit Committee, as there are overlaps and interlinkages.
- **Involvement of all relevant stakeholders**, including CSG, AMI-Pay, AMI-SeCo.
- Eurosystem will also prepare a **publication related to the action plan** to communicate to the market participants.

As of  
2022

- **Monitoring of the implementation of the action plan** until completion by the Governing Council (reporting every 6 months).
- **Regular reporting** to all relevant stakeholders.

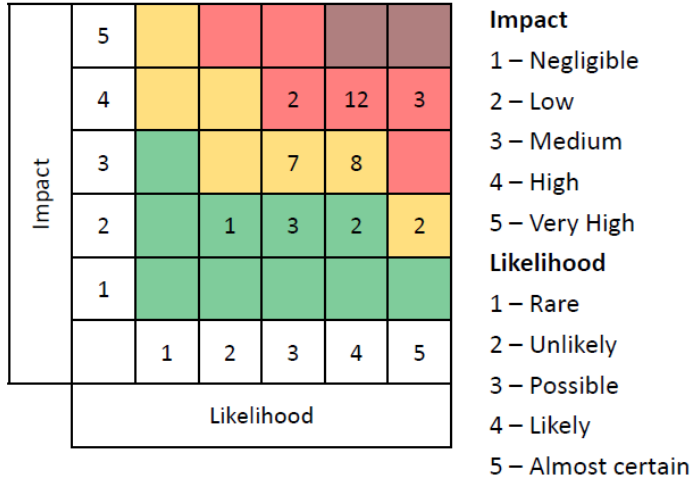


# Background slides



Deloitte identified 40 individual findings that led them to the conclusion that, even though none of them was rated with severity 'very high', they solely or in total are likely symptoms of larger critical overarching organisational, control and/or governance issues

Heat map (based on ECB's risk tolerance policy matrix)



Number of findings per Work stream (WS)

	High	Medium	Low	Total per WS
Work stream I.	3	5	2	10
Work stream II.	2	1	0	3
Work stream III.	2	2	1	5
Work stream IV.	2	4	2	8
Work stream V.	4	4	0	8
Work stream VI.	4	1	1	6
<b>Total</b>	<b>17</b>	<b>17</b>	<b>6</b>	<b>40</b>